

The State of Local Democracy in Central Europe

Edited by Gábor Soós



Reports from
Bulgaria, Estonia, and Slovakia

*The State of
Local Democracy
in Central Europe*

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Bulgaria, Estonia, and Slovakia

Edited by

GÁBOR SOÓS



Local Government
and Public Service
Reform Initiative

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Local Government and Public Service Reform Initiative

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Introduction

Gábor Soós

Introduction

Gábor Soós

This volume is a collection of country reports. Their goal is to evaluate the quality of local democracy in three countries: Estonia, Slovakia, and Bulgaria. The country reports are part of the monitoring activity of the Indicators of Local Democratic Governance Project. The essence of this monitoring is cross-country comparison. Thus, the structure of country reports was kept similar to ensure comparability. This introduction outlines the conceptual framework on which the country reports are based. First, the need for democracy assessment and its difficulties are discussed. Then, the specific dilemmas of the evaluation of local democracy are considered and the initial choices made by the project are presented. Next follows an explanation of why David Beetham's conceptualization and operationalization of democracy assessment was selected and how it was modified to meet the requirements of this project. A large part of this introductory chapter focuses on the questions authors addressed in their reports. At the end, the authors of the country reports are briefly introduced.

THE CHALLENGES OF DEMOCRACY ASSESSMENT

Assessing democratic performance is not easy. The first obvious difficulty is the lack of a countable means to measure performance. While economic performance can be measured by counting monetary units, one has no similar means for measuring the quality of political and administrative processes in democratic systems. This raises many serious methodological and conceptual questions. The researcher has to find indicators that are reliable and valid not only in their home context, but also in a cross-national comparison. Moreover, any democracy audit must face the methodological problem of multidimensionality, i.e., the challenge of the proper transformation of various indicators into a single index.

Another problem is the complexity of political and administrative processes. A large number of actors are involved in any representative, decision-making, or implementation process. The participants change from time to time, but not at the same time. In most cases, it is extremely difficult to determine precisely the amount of responsibility that individual stakeholders bear for the level of democratic quality of political processes and outcomes. Moreover, agents and issues are often interrelated. The form and outcome of many political activities are greatly influenced by other, sometimes distant, activities.

This complexity makes the evaluation of geographically, temporally, or thematically bounded processes highly difficult (see March and Olsen 1995). The time lag between implementation and actual outcome further hinders correct evaluation. What seems democratic in the short run may have undemocratic consequences in the long run. In other cases, seemingly technical decisions lead to political consequences that greatly affect the level of democracy. A related problem is contingency. Many circumstances are beyond the control of political actors. That also encumbers the assessment of democratic performance. Summing up, two constant features of politics, blurred responsibility of agents and unclear boundaries of processes, render the performance measurement of democracy difficult.

Another group of difficulties that impedes the evaluation of democratic performance is related to the concept of democracy itself. As is often said, democracy is an essentially contested concept. Consequently, it has many rival definitions. All of them involve serious interests and values; therefore, a compromise or synthesis is much more than a question of constructive intellectual discussion. What is more, many conceptualizations suffer from imprecision and have an *ad hoc* nature. Few of them were designed to be used specifically for the measurement of democratic performance. Thus, they are often not operationalized in an adequate manner and are not ready for such operationalization. An additional conceptual problem is multidimensionality. Even the most parsimonious definitions of democracy often imply more than one conceptual aspect.

In sum, any intention to gauge democratic quality faces conceptual problems (lack of consensus, multidimensionality) and methodological challenges (lack of countable measurement units, blurred responsibility, and unclear boundaries of political processes).

THE NEED FOR DEMOCRACY ASSESSMENT

Still, the need for a measurement of democratic performance is significant. Several attempts have been made to assess the quality of democracy for the last decade or so. Their focus ranges from specific aspects of democratic governance like the corruption index of Transparency International to more general assessments such as the rankings of Freedom House. Among the sponsors and initiators, one may find both non-governmental associations like Human Rights Watch as well as organizations of intergovernmental cooperation like IDEA. Some of them explicitly rank countries, like the Global Democracy Award, and others provide more descriptive surveys, like the Council of Europe. The rankings often provoke intense discussions over the state of affairs and the responsibility of governments therein.

Why do we see this new wave of democracy measurement? One may list a number of reasons, linked to major sociopolitical trends in the world. A vast change in the developed world has been the breakup and fragmentation of large societal groups. As a

consequence, their political subcultures have also weakened and the cleavages have become more blurred. An increasing number of floating voters, with ever better education, have adopted a more critical attitude toward politics and politicians demanded more feedback about the performance of governments and political systems.

The new wave of neo-liberalism, partly due to the above societal transformation, has also contributed to this process. Since the 1980s, more emphasis has been put on competition and individual freedom than on solidarity and equity. This type of thinking has reached public administration too. New Public Management has widely been adapted in Western Europe at every level of government. For many, the idea of the measurement of democratic performance is an extension of NPM-type thinking.

Another major trend in the world has been democratization since the end of 1980s. The third wave of democratization made democracy the dominant and only legitimate mode of governing. In the mood of the triumphant democracy, the alternatives became discredited. Actually, many ceased to think of democracy as a historical phenomenon and began to perceive it as an eternal and final good. Everyone claims to be democratic nowadays. However, some of the claims are apparently unfounded. The demand to distinguish between real and bogus democracies has increased. The simple Cold War distinction between democracies and nondemocracies has turned out to be unsatisfactory for this task. Rather, a more precise, continuous assessment of the level of democratization was needed.

Consequently, many resources have been invested in the promotion of the democratization process. NGOs raise lots of funding for advocacy and governments also are willing to further democratic governments and groups. This naturally raises the question of performance measurement: how and where to invest to achieve the highest possible impact? The practical need of donors, whether corporate or individual, to control the flow of their donations has also contributed to an increasing role for the measurement of democratic performance.

THE STRATEGIC CHOICES OF THE INDICATORS OF LOCAL DEMOCRATIC GOVERNANCE PROJECT

The Indicators of Local Democratic Governance (ILDG) project is also a product of the above-mentioned wave of democracy measurement. The project has two specificities. First, it focuses on a special dimension of democratic polities: local democracy. While political developments on the national level are often observed closely, local politics receives less attention. Second, it covers a geographical area, Central and Eastern Europe, where democracy, including local democracy, has been in motion for more than 15 years. On the one hand, that provides a great opportunity to observe certain dynamics of contemporary democracy. On the other hand, the historic transformations have created more need for the assessment of progress (or relapse). The systematic evaluation

of local democracy is especially appropriate in the former communist area. In sum, the ILDG project aims to help decision-makers and researchers assess and explain the level of local democracy in Central and Eastern Europe.

To this end, the project collected original data in seven countries by means of surveys of local politicians and administrators. The first results, the assessment of local democracy in Poland, Hungary, and Romania, were published in 2002 (Soós, Tóka, and Wright 2002). This volume is the second attempt, which is different from the first not only in the countries covered (Estonia, Slovakia, and Bulgaria), but also in its more refined methodology. Based on the experience of the first collection of country reports, three questions were explicitly addressed. All of them required an initial choice, which largely determined the form and content of the assessment methodology.

- (1) The quality of democracy can be interpreted in broader or narrower ways. The broader conceptualization focuses on the political regime in general, usually opposed to non-democratic alternatives. In this approach, the assessment of democracy involves broader societal processes and the consequences of political democracy (for recent examples, see Campbell and Sükösd 2002, Andreev 2005). In addition to more political variables, it also takes into account variables like gender equality or equal access to education. These variables measure the quality of life more than the outcome of government policies. The indicators used or proposed include the percentage of university students, ethnic tolerance, level of domestic violence, and mortality rates. The narrower view is more interested in the quality of representation, decision-making, and policy implementation. Its indicators include political stability, level of corruption, degree of freedom of expression, the number of human rights violations, the quality of horizontal accountability, and government responsiveness (i.e., Hadenius 1992; Putnam 1993; Beetham 1994; Przeworski et al. 1996; Freedom House 2005).

This choice is obviously related to the conceptualization of democracy and the political. The broader view perceives democracy as a political *and* social phenomenon (or, in a Foucaultian sense, defines the political as omnipresent) and has a larger time frame. The narrower approach is built on a more traditional conception, focusing on government related activities, and makes more attempts to link outcomes to responsible agents and, thus, has a shorter time frame.

In the ILDG framework, the second option was selected for four reasons. First, the general goal of the project, originally set by the Local Government and Public Service Reform Initiative, is to help decision-makers and activists understand local political developments. That requires a more politically oriented, shorter-range approach, which sheds some light on the impact of policies. The quality of life of a local society has too many determinants and the link to political processes is less clear. Second, many of the societal issues like gender

equality are less determined by local factors than by large social, economic, cultural, and political processes. Thus, the local government-centered view seemed more appropriate for a local political study. Third, the fast transformation of post-communist countries blurred the responsibility for social changes, while it increased the need for the assessment of government bodies and other political agents like the press. Thus, a more political view is expected to contribute more relevant knowledge. Fourth, such an assessment requires much work. The narrowing of the focus made the task of assessment much more manageable.

As can be seen, the choice was made on a largely pragmatic basis, looking for the best possible approach for a specific democracy project. Thus, it is not a critique of the broad approach, which is an equally legitimate conceptualization of democracy.

- (2) A related question is the focus on formal institutions. The commitment to a traditional liberal conception of the political may result in a focus on formal actors such as individual political leaders, government parties, or local, regional, and national governments. However, that would exclude many political interactions and external influences or would present them in a one-sided way. Thus, the framework used here is a broad interpretation of the narrow view of the political. Based on the previous arguments, it focuses primarily on formal political processes. However, it does not restrict itself to public administration or government institutions. Other political stakeholders like the media or NGOs are also involved in the analysis.
- (3) The third basic dilemma to be addressed is related to the previous one. Some democracy assessments (the index of the Freedom House is the major example) offer a precise score that can describe performance by means of a single number. That makes the results easily comprehensible and accessible. Consequently, their rankings can be communicated effectively in the media and both citizens and politicians can understand them quickly. The use of numbers suggests a precision and direct comparability. However, the scores that characterize complex political entities or processes by means of digits are far from being precise, as they reduce highly complex questions to a very simple presentation. While recognizing the importance of easily communicable results, this project voted for the more complex presentation at this stage of its development. The methodology is not ripe enough to provide reliable rankings of countries with different legal systems, average municipality size, and national politics. The emphasis is placed on informative details rather than scores. The choice, again, was pragmatic and project-related. It is not a denial of the possibility or importance of rankings. Actually, the ILDG project has a long-term ambition to provide well founded rankings of countries, which could evaluate the quality of local democracy by means of one or a few scores.

CONCEPTUAL FRAMEWORK

The next step is to answer the central question of any democracy assessment: What are the main criteria in the assessment of local democracy? Democracy is a contested term. Taking into account the above-mentioned challenges of democracy measurement and the initial choices concerning the previously presented dilemmas, the ILDG project is based on David Beetham's conceptualization of democracy (Beetham 1999, Beetham et al. 2002). This decision was based on five considerations.

First, Beetham's approach recognizes the inherent multidimensionality of the concept of democracy. The large number of definitions demonstrates the wide range of conceptualizations. Many of them focus on a single aspect of democracy and do not exclude each other. Since most of them are legitimate, a composite evaluation must involve them. Beetham's approach makes this possible without becoming simply eclectic.

Second, Beetham's list of criteria is not far from the usual enumeration of the elements of good governance. That shows the intuitiveness of the approach without being *ad hoc*. This is a pragmatic but important consideration.

Third, Beetham's approach corresponds well with the first choice mentioned previously. It is not simply procedural, as it focuses on more than the administrative or policy-related processes, but it does not embrace the quality of life aspect of democracy concepts.

Fourth, unlike many theoretical discussions of the concept of democracy, it provides a clear operationalization. Although the list of democratic criteria may not be directly applicable, it is easily adoptable by new initiatives of democracy assessment.

Finally, but very importantly, there have been several attempts to measure the quality of democracy on the basis of David Beetham's conceptualization, sometimes with his personal contribution. Among the initiatives, one can find the International IDEA's program on the state of democracy all over the world: IDEA's efforts (Beetham et al. 2002, International IDEA 2001, 2003), the UK Democratic Audit (Democratic Audit 2005a, 2005b), the Democratic Audit of Australia (Hindess 2002), the SNS Democratic Audit of Sweden (Petersson 2001). These projects provided proven techniques of methodology and potential means of presentation.

What are the fundamental elements of Beetham's approach? David Beetham argues that democracy implies decision-making about collectively binding rules and policies. A decision-making process is democratic to the degree that it is "subject to the control of all members of the collectivity considered as equals" (Beetham 1994, 28). Therefore, the two key principles of democracy are *popular control* over decision-making (or at least decision-makers) and *political equality*. For the purpose of evaluation, democratic audits break down these two principles into four criteria.

- (1) *A guaranteed framework of equal rights.* This includes access to justice and the rule of law, the basic civil and political rights. Citizens' rights and their enforcement is another form of the limitation of government.
- (2) Institutions of *representative government.* Free and fair elections are a basic instrument of democracy to promote popular control. Elections are democratic if they are meaningful, inclusive, fair, and uninfluenced by government power. The idea of meaningful and fair elections also includes competition amongst political forces, which have equal access to communication.
- (3) Institutions of *open and accountable government.* A democratic government is transparent and politically, legally, and financially accountable to other bodies. Government in democracy is limited by other formal institutions.
- (4) *A civil or democratic society.* Independent associations have the potential to encourage government responsiveness to public opinion and to increase equality among citizens. An organized society with a democratic political culture is a powerful instrument of democracy.

These four dimensions can be also adapted for a local democracy framework. Nevertheless, these dimensions are not of equal importance in the analysis of local democracy in Central and Eastern Europe and they must be adapted to the specificities of local government systems. Country reports should devote more energy to mapping the contribution of civil society to local democracy than, for example, to analyzing the problem of civil rights—which are better researched, are not a local issue, and show less variance in CEE.

The assessment of local democracy requires two other dimensions. The first comes from the local nature of the subject of analysis. A distinctive feature of local governments is their *autonomy*, i.e., their freedom from the direct involvement by external forces. If local administrative units have no legal, political, and financial autonomy, the term of local (self-) government loses its meaning. The degree of autonomy is a crucial element in the assessment of local democracy.

Swedish audits of democracy point to the relevance of a second addition to the above criteria. As the history of regime collapse in the 1930s demonstrates, a viable democracy requires a certain level of *effectiveness*. Consequently, policy performance is a crucial dimension of a local democracy assessment.

In sum, local democracy is conceptualized as autonomous, effective, open, and representative local government surrounded by a civil society in the framework of guaranteed political rights.

COUNTRY REPORTS

Following the above framework, the structure of the country reports is organized around six institutional dimensions. As they are not equally important in the political reality of Central and Eastern Europe, two dimensions of local democracy (representation and civil society) will receive more space (chapters four and three, respectively). The first part of the report contains four chapters, covering four components of local democracy (autonomy, effectiveness, rights and the rule of law, and transparency and accountability). Their shorter discussion is explained by the availability of other publications (e.g., decentralization and effectiveness are covered by other LGI books) and the focus of the original data gathered by the surveys of the project. Thus, the following country reports contain an introductory section, three larger parts consisting of a total of twelve sections, a concluding chapter, and appendices.

To maintain comparability among country reports within the volume, each chapter and section are presented here with general questions aimed at guiding the reports' authors. The questions derived from the framework highlight some issues considered crucial to the evaluation of local democracy, but were not intended to serve as an outline or "form" to be simply filled out. Report authors were expected to consider each heading and, guided by their experience and the questions given, present an analysis of the issue in their respective country. No analytical division can be perfect, so there are issues that could appear in more than one place. In such cases, authors were requested to cross-reference information.

The first part of each report is an introduction to the characteristics of the local government system of the country in question. Authors were first asked to describe the local government system in their respective country by answering the following questions: What are the country's basic socioeconomic characteristics like population, ethnic distribution, economic development, etc.? How has the local government system developed? What is the history of the local government reform? What are the main features of the local government system (e.g., tiers, constitutional status, average municipality size, etc.)? Second, the internal structure of local governments was presented by responding to the following questions: What are the main characteristics of the local elections? What are the main features of the civil service system (legal status, number, appointment, etc.)? Who are the main actors in local government? How is formal power separated within local government? Finally, authors gave some information about how the Indicators Project was implemented in their country by describing the size and distribution of the survey samples, date of the survey, response rates, and so on.

PART I. LOCAL GOVERNMENT PERFORMANCE

The first large part of the reports, containing four sections, focuses on the internal functioning of local governments. The first section assesses the level of local autonomy. The most general questions are the level of independence local governments enjoy from central and regional government and the degree to which the local government system is decentralized. The report framework distinguished between three types of autonomy: legal, political, and financial. The main question about legal autonomy authors had to address was: *To what degree can local governments act independently in local issues?* The following questions required a more detailed analysis: How much consensus is there on the jurisdiction of local governments? How intense are the conflicts over the distribution of competences among tiers of public administration? How far are the tasks of local governments mandatory? To what degree are local services regulated by central standards? How strong is the regulatory power of the central agencies? How stable is the regulatory framework in which local governments operate? How quickly do rules change? To what degree do central and regional governments have an influence on the everyday working of local governments?

The general guiding question of fiscal autonomy was: *How dependent are local governments on central and regional resources?* Fiscal autonomy referred to resources distributed and collected by local governments without the control of central or regional governments. Fiscal autonomy was regarded as high if local governments rely on their local revenue and allocate their revenues at their will. The particular questions were as follows: What is the proportion of state transfers in local government budgets? What is the proportion of earmarked grants in state transfers? To what degree can local governments collect own revenues? What is the share of local taxes in local governments' budget? What is the role of equalization mechanisms? This section was obviously related to the first part of the effectiveness section, presented later. Finally, the problem of political autonomy was addressed by the following question: *Are local political forces and politicians able to formulate their own local preferences independently of the influence of national or regional political organizations?* More precisely: How much control do national and regional organs of political parties have over local party branches? Can a local mayor or councilor have other elected positions (e.g., MP)? If yes, how far does the cumulation of mandates influence the political autonomy of local governments? As at the end of each evaluative chapter, authors were expected to write a conclusion in which, based on their foregoing discussion, they evaluated the level of autonomy of local governments in their country and suggested or presented reforms and projects to improve the situation.

The second (usually short) section of the first part concentrated on the performance of local governments in implementing legal rules. The leading question was as follows:

To what degree does the law guarantee rights and is everyone equally subject to the law? This section included a question on the civil and political rights asserted on the local level by asking: *To what degree are civil and political rights equally guaranteed for all?* Related questions were: How inclusive is the local citizenship? Are there ethnic or other groups whose exclusion or inclusion provokes debate? To what degree are cultural differences acknowledged and how well are minorities protected? How much consensus is there on the political, economic, and social rights of citizens on the local level (e.g., access to basic health care or education)?

The second problem the section addressed was the implementation of the rule of law: *To what degree are local governments consistently subject to the law?* Authors answered the following questions to provide more detailed information: How far do local governments as institutions observe legal regulations? How frequently are there violations of due process? To what degree are all public officials subject to the rule of law and to transparent rules in the performance of their functions? How much effort do local governments make to guarantee due process for all? How do local representatives evaluate the political impartiality of the administrative staff? To what degree does the legal system deliver fair and effective justice in legal issues involving citizens and local government? How free are the courts and the judiciary from interference by the local government and influential local individuals? How far do citizens follow legal rules? A few of the questions (especially on perceptions of the level of the rule of law) could be answered with the help of the project surveys.

A crucial question was discussed in the third section within the first part of reports: *To what degree do local governments work in a transparent and accountable way?* Transparency, generally a severe problem of CEE local governments, was approached by means of the following questions: To what degree can a citizen or citizen group understand local government policymaking from the public documents of local governments? How easy is it to gain access to public documents of local governments? How public are local government contracts? How developed is e-government? Do local governments have websites? How accessible are local government offices via e-mail? How much do local governments do to disseminate their decisions? Are the sessions of the council and other local government bodies open to the public? If they are, how far do local governments attempt to advertise the time of meetings?

Corruption, a problem strongly related to transparency, is the subject matter of the next section, too. The degree to which public officials are free from corruption was measured by the following questions: How effective is the separation of public office from the personal business and family interests of elected and non-elected office holders? How effective are the arrangements for protecting office holders and the public from involvement in bribery? To what degree do the rules and procedures for financing elections, candidates, and local representatives prevent their subordination to sectoral interests? How far is the influence of powerful local business interests over public

policy kept in check and how free are they from involvement in corruption? How strict are the rules of public procurement and how far are they followed? How far do local governments make efforts to diminish corruption? Do they formulate policies or ethical codes to preserve the integrity of public officials? How much confidence do people have that public officials and public services are free from corruption?

Finally, this section discussed one of the strong antidotes to opaque and corrupted practices, horizontal accountability. The extent to which the separation of local powers contributes to the accountability of local government actors was analyzed by means of the following questions: How extensive and effective are the powers of the council to initiate, scrutinize, and amend local legislation? How rigorous are the procedures for approval and supervision of the revenues and expenditures of the local government budget? How extensive and effective are the powers of the council to scrutinize the executive (the mayor or board) and hold it accountable? How effective and open to scrutiny is the control exercised by councilors and the mayor over the administrative staff of the local government? How important are local administrators in the making of policies? To what degree do they form an independent policymaking center? To what degree does the actual division of power correspond with the formal one? What determines the variance in the perceived power of local government actors? Most problems in this section were addressed on the basis of the existing empirical evidence that could be found in prior research.

The last section in the first part, focusing on local government practices, dealt with the effectiveness of local governments: *To what degree are local governments capable of setting and attaining their own goals?* This section concentrated on three interrelated dimensions of the policy capacity and performance of local governments: resource control, decision-making capacity, and output control.

The problem of resource control is as follows: *How much control do local governments have over an adequate supply of available resources?* The more detailed questions are: How much right do local governments have to set the level of their financial resources (especially local taxes) garnered from the local community, and how effective is the collection of these resources (if collection is a local government competence)? This is linked to the fiscal autonomy question in the autonomy section, but focuses more on internal resources. How many resources originate from the cooperation of local governments with citizens and their organizations? How many resources do local governments gain from voluntary or legally required cooperation with other local governments or administrative bodies? Does the size of local administration correspond to its functions? How competent is the administrative staff of local governments? How do local representatives and citizens evaluate the competence of local administrative staff?

The problem of the decision-making capability of local governments was evaluated by answering the following question: *To what degree can local governments make informed and consistent decisions given the temporal constraints on them?* The sub-questions were: How

smooth is the decision-making in local governments (quorum, extraordinary meetings, decisions by deadline, etc.)? What are the causes of decision-making deficiencies? How coherent is local policymaking? Is there long-term planning? Do policies follow these long-term guidelines? How cooperative is the relationship between the executive (mayor or board) and the council?

The third element of effectiveness, output control, was assessed by means of the question: *To what degree can local governments implement their decisions?* Some other questions made the discussion more detailed: To what degree do local governments reach the policy objectives that they set for themselves? Are local government projects and plans realized? How efficient are local governments? To what degree do local governments endeavor to improve the relationship between cost and output? How are local services provided and what are common problems of service provision? What is the attitude of decision-makers concerning privatization and outsourcing?

PART II. REPRESENTATION IN LOCAL GOVERNMENT

The next large part of the report covers issues associated with the relationship between citizens and elected leaders, including concepts such as social and political representation, vertical accountability, authorization, responsiveness, and inclusive decision-making.

The first section focused on local elections and direct democracy through local referenda by answering the question: *How much control does the authorization process give the people over local government leaders?*

This general problem was addressed. First, the electoral system was evaluated by asking: *How much popular control does the electoral system provide and how equally is it distributed in local society?* More detailed analysis asked: How fair are the procedures for the registration of candidates and parties? How proportional is the representation? What is the share of votes not receiving representation in the council? How closely does the composition of the council reflect the choices voters make? What is the voter/representative ratio? How far are the election results accepted by all political forces in the country? What are the proposals, if any, to change voting procedures and electoral rules?

The electoral process was examined in the second section: *How democratic is the electoral process on the local level?* The assessment was based on these questions: How effective a range of choice does the electoral and party system allow the voters? What is the level of competition in local elections? How extensively do citizens participate in electoral campaigns? To what extent do candidates have fair access to the means of communication with the voters?

Authors were naturally expected to characterize the electoral results on the local level: *What are the main electoral results on the local level?* The following question guided

the evaluation: How frequently do elections lead to change in the governing parties or personnel? How different are the results in national and local elections? Do local elections follow the same pattern as national ones? What are the main political cleavages or stable patterns in local election results?

A basic and frequent tool to measure participation is turnout; thus, the next section asked: *To what degree do citizens participate in the local elections?* The section answered two simple questions: What proportion of the electorate votes? What are the main ethnic, territorial, etc., differences in turnout rate?

Finally, a formal means of direct democracy was analyzed by asking: *How democratic are local referenda?* The legal institution of local referendum does not exist in Estonia, so authors sought answers to these questions: Why does or does not the legal framework allow the local referendum? Are there propositions about its establishment? What is the obstacle to establishing the institution of local referendum? The other two reports tackled these questions: How frequently do local referenda take place? What are the reasons for their (un)popularity? What are the main topics of local referenda? Reports concluded with general statements about the state of electoral democracy.

A natural continuation of the previous section is a focus on party organizations on the local level and their factions in local decision-making bodies. The first interesting question is the weight of local party chapters in local government representation: *To what degree are political parties present in local governments?* In a more detailed way: What is the proportion of party-nominated mayors and councilors? How does their proportion depend on municipality size and other factors? How active are NGOs and independent candidates in local elections? What is the proportion of non-party nominated mayors and councilors? How do parties differ in their presence on the local level?

The strength of local party organizations was assessed by asking: *How organized are political parties on the local level?* Further questions provided more detailed information: How active are parties during the electoral campaign? How active are parties between elections? What are the main forms of activity? How far are parties effective membership organizations? How far are party members able to influence party policy and candidate selection on the local level? To what degree do parties have background organizations (political associations and foundations, press) on the local level? How many resources (office, staff, technical facilities) do local party branches have?

The next problem followed from the previous one: *What characterizes the factions of political parties in local councils?* The features of party factions were surveyed by means of the following questions: How loyal are elected officials to nominating and supporting organizations? How fair and effective are the rules governing party discipline in the council? How fragmented are local councils? How effective is the party system in forming stable majorities in the council? This discussion is related to the aforementioned section on decision-making performance in the effectiveness section and the horizontal accountability section in the transparency section.

The next section concentrates on individual political actors: the local representatives. *To what degree do local representatives contribute to the working of local democracy?* The term “local representatives” refers in the volume to elected leaders of local governments such as mayors and councilors. As the surveys of the ILDG project provided much information, this part of the chapters became longer than the average. Two classical problems of political sociology is discussed.

First: *What is the social background of councilors and mayors?* More precisely: How far do local councils reflect the social composition of the ethnic, linguistic, religious, gender, generational, educational, and class divisions of the electorate? How much cultural capital do local representatives have? How are mayors and councilors positioned within the social structure? To what degree is there an intergenerational continuity in assuming public positions?

The second question is related to the career of local politicians: *What is the political background of councilors and mayors?* The detailed questions were as follows: To what degree is there continuity with the Communist leadership? What functions did local representatives hold before becoming mayors or councilors? Are there typical career routes? What other functions do local representatives hold? To what degree are local representatives professional? To what degree do they live on (local) politics? How much political training did they obtain? How ambitious are local representatives? How many of them perceive their present position as a political stepping-stone in their public careers?

The next problem related to the democratic assessment of local politicians focused on social embeddedness: *How much social capital do local representatives have?* These questions guided authors: How frequently do local leaders have social contact with family, friends, colleagues, and other members of organizations to which they belong? In how many and what kind of civil society organizations are local representatives in a leading position? What are the main characteristics of the civil society organizations in which local representatives have a function? How much political resource do local representatives extract from their membership in civil society organizations? To what degree do civil society organizations serve as meeting points of local politicians? Interpreting social capital as trust leads to the next problem discussed in each chapter: the political culture of local representatives.

The general question was the following: *How democratic are the values and attitudes of local representatives?* That was detailed by these questions: How democratic are the attitudes of locally elected officials toward participation, equality, and other key values of democracy? How far do locally elected leaders trust each other? How far do local representatives trust people? How close are the ideological and party orientations of local representatives to those of citizens? To what degree do local representatives trust in institutions? How close are their opinions to those of ordinary people? How strong is the attachment of locally elected leaders to their municipality and other geographical

units? How do political attitudes and values interact with demographics, party and NGO membership, and the career orientation of locally elected leaders?

Finally, authors examined local representatives' attitudes toward representation: *How democratic are local representatives' attitudes toward representation?* Who do local representatives represent? What explains the variance in representatives' attitudes? What are the main sources of information for local representatives? Who influences the opinion formation of local representatives? Items from the survey questions are also mentioned in other sections.

The last section related to the representation activities of, and in, local governments dealt with institutional responsiveness. The general question was: *To what degree do local governments respond to the needs and wants of their constituencies?* The inclusiveness, responsiveness, and accessibility of local decision-makers were addressed here. Inclusive decision-making was evaluated by answering the following question: To what degree do local governments attempt to involve citizens, NGOs, local business, and media in the decision-making process? How far do local governments attempt to involve civil society in service delivery? How systematic is the consultation of local governments with citizen groups and media over the budget and other important decisions? How frequently do local governments hold public hearings and forums? How deliberative are the discussions in these meetings with citizens?

Since Putnam (1993), institutional responsiveness has been a major topic in democratic assessment. The project's questions about local governments' responsiveness on the level of policymaking and everyday administration were: How do citizens perceive the responsiveness of local governments to their policy demands? Do policies correspond to local needs? How much confidence do people have in the ability of local government to solve community problems that they perceive as important? How responsive is local administration on the street level (bureaucratic responsiveness)? To what degree do citizens need patience and persistence to settle their issues in local government offices? How (un)equal is the access of citizens to local government services? How systematic is the consultation of local governments with users over local service delivery? To what degree do local governments attempt to obtain feedback from the users of their services? The final problem analyzed here was the accessibility of local representatives: How accessible are elected representatives to their constituents? How easy is it to meet local representatives? How important to local representatives is contact with citizens?

PART III. LOCAL CIVIL SOCIETY

The third part of each country report assessed the political quality of the local societies. Three political stakeholders, the local media, NGOs, and citizens, were targeted in this part. The assessment of local media focused on the following question: *To what degree do local media operate in a way that sustains democratic values?*

First, the existence and availability of local media was surveyed by means of these questions: To what degree are local media available for citizens? To what degree does the availability of local media depend on municipality size, region, or other factors? How extensive is the audience of local media? What is the weight of local media compared to regional or national media? How frequently do local media appear? Then, the main perils of media quality, (in)dependence and (un)representativeness was discussed with the help of the following questions: How pluralistic is the ownership of local media? To what degree are local media independent of local government and (local) big business? How representative are the local media of different opinions? How accessible are the local media to different sections of society? Finally, the extent and form of media involvement in local political life were considered by answering such questions as: How frequently and to what degree do local media cover local politics? To what degree do local media contribute to an enlightened understanding of local public life? To what degree do local media contribute to the transparency, responsiveness, and societal accountability of local government? To what degree do local media have the ability to set the political agenda? How effective are the local media in investigating local government? As the ILDG project collected lots of unique information on local media, this section contains especially interesting findings.

Civil society organizations are often portrayed as major contributors to the quality of democracy. Thus, the next section focused on the question: *To what degree do local civil society organizations contribute to local democracy?* As a first step, the legal status of NGOs was examined by means of the following questions: What are the main legal regulations concerning the establishment of civil society organizations (forms, registration, etc.)? What are the main legal regulations concerning the operation of civil society organizations (bodies like boards, financial and other reports, etc.)? Then, the density of local civil society organizations and their distribution was discussed: How many civil society organizations are registered? What is the distribution of civil society organizations by legal category (e.g., association, foundation, etc.) and activity (e.g., educational, sport, political, etc.)? What is the number and proportion of minority organizations? How many civil society organizations are active on the local level? What factors determine the distribution of civil society organizations in the country (e.g., size, location, development of municipalities)?

After surveying the general infrastructure of civil society, the next section concentrated on the actual role of civil society organizations in local politics. The main questions included: To what degree is the internal operation of civil society organizations democratic? To what degree do civil society organizations inculcate democratic values into their members and the wider society? To what degree do civil society organizations foster solidarity, trust, and the sense of belonging in local society? To what degree do civil society organizations contribute to the development of the public sphere? How active are civil society organizations in organizing political

events? To what degree are local civil society organizations the auxiliaries of political parties?

These problems were related to similar discussions in sections on media, political culture, and parties.

Finally, the types and strength of contacts between civil society organizations and local governments were tackled: What is the number and proportion of civil society organizations that are supported by local government? What is the number and proportion of civil society organizations that provide support to local government? What is the role of civil society organizations in the provision of local services? What is the role of civil society organizations in the initiation and implementation of joint projects with local governments? What is the opinion of local representatives on the contacts between local governments and civil society organizations? What is the opinion of citizens and civil leaders on the contacts between local governments and civil society organizations? The results of the ILDG survey of local representatives and administrators contributed much to this section.

The last issue addressed within the broader theme of local political society was citizens' political culture: *Does citizens' political culture contribute to local democracy?* The first problem here is whether and to what degree local citizens have an interest in local politics and what they know about it: To what degree are citizens interested in local public life? Does their interest focus on local or national issues? To what degree do citizens know local public issues? How well known are local political leaders? Are mayors better known than other politicians? These questions are linked to the transparency and media section, and the accessibility of representatives question.

A deeper citizen involvement in local politics means actual participation, and this was tackled with these questions: To what degree do citizens participate in local political events? What are the main forms of local political participation? Who are the initiators of citizens' collective participation in local politics? How do citizens try to influence local government decisions? These questions are related to the evaluation of local political party organizations.

The rest of the section focused on three problems of political culture: political efficacy, local solidarity and identity, and the legitimacy of local democracy. The extent to which citizens feel they can understand and influence local political issues is their level of political efficacy. The questions here are as follows: To what degree do citizens feel they are able to understand local political issues? How much capacity do citizens feel they have to influence local political issues? A specific local problem of political culture is the degree to which local citizens have a sense of belonging and feel solidarity with others in the same local government. The specific questions included: How attached do citizens feel to their municipality compared to lower (sub-municipal) and higher (national or regional) levels? To what degree are citizens willing to fight the preservation of the existing municipality's borders? Would they change or defend them? To what

degree are citizens willing to cooperate with each other? Do they trust each other? These questions are related to the chapter on autonomy and legitimacy, but the focus here was more on local identity.

The final problem discussed in this section is the degree to which citizens feel the principles of the local government system are justified. More specifically: To what degree do citizens support the principles and institutions of the local government system? How do citizens evaluate the local government system compared to the Communist local administration and other, more centralized alternatives? How much consensus is there on the boundaries of local governments? The conclusion of this section generally discussed how democratic the political culture of citizens was in the reported country.

EVIDENCE AND STATEMENTS

Contributors were expected to meaningfully address the above questions. With this said, the extensiveness of the coverage of the different issues was dependent upon the relevance of the respective issue, the availability of data, and whether space permits. The relative length of the sections and sub-sections depends on four factors: (a) the relevance of the topic in the framework; (b) the relevance of the topic in the country's political discourse; (c) the amount of original data from the surveys of the Indicators Project; (d) the availability of other (quantitative and qualitative) data.

Country reports were required to use the data from the project's two surveys as much as possible. Contributors made much effort to fully exploit the opportunities offered by the surveys. At the same time, contributors used other data when and if it strengthened the argument of their report. The data from the Indicators Project were contrasted with earlier data or with data from different countries. Some parts of country reports (e.g., citizens' satisfaction) required the use of data from other sources (e.g., public opinion polls). Moreover, the use of qualitative data was also encouraged if it shed light on the causal mechanisms or if general quantitative data were not available.

Country reports were expected to focus on arguments and not the presentation of the data. The goal of the country reports was to present the state of affairs on the local level, with an evaluation conducted from the viewpoint of local democracy. Therefore, reports made clear statements on the situation and took stands or presented the standpoints in the ongoing political and academic debates. Contributors were required to base their statements on evidence. Evidence could be quantitative or qualitative or could follow logically from other data. If no data were available for a certain question, potential reasons (hypotheses), based on experience and intuition, could be formulated as intelligent and informed speculation.

COUNTRIES, CONTRIBUTORS, AND COMPARISONS

Similarly to the first volume, this one also contains cases that represent the geographical subregions of Central and Eastern Europe. Estonia, as Latvia in the first volume, represents the Baltic group of countries. It is also a good example of small countries. The authors of the report were Georg Sootla, Anu Toots, and Rein Ruutsoo from the Pedagogical University of Tallinn. Slovakia, as Poland and Hungary in the previous publication, is a representative of the “Visegrad” group. The report was written by a team from Bratislava University, comprising Jan Sopóci, Jan Bunčák, and Anna Hrabovska. Finally, Bulgaria, like Romania previously, is a sample case from South Eastern Europe. The first part of the report was prepared by Romyana Kolarova, Milena Stefanova, and Dimitar Dimitrov from Sofia University. Milena Minkova wrote the second part and finalized the report. The three countries all together provide a broad picture of the region to be covered by the ILDG project.

The final chapter of this volume attempts to draw lessons from the country-level assessments of local democracy. Relying on the findings of country reports and independent analysis of the data of the project, the concluding chapter compares the state of local democracy in five countries of Central and Eastern Europe (Poland and Hungary, where ILDG surveys were conducted earlier, are added to the three countries reported in the book). The author of the paper, Paweł Swianiewicz from the University of Warsaw, introduces his topic by refining the analytical tools of democracy assessment. He starts with an analysis of local government institutions, especially of their position *vis à vis* the central level, using three analytical dimensions: functions, discretion, and access. Then the author turns to indirect measures of democratic performance, distinguishing between input, throughput, and output dimensions of legitimacy. They are measured mostly through the results of CEO and local representatives’ surveys. One of the conclusions is that there is no universal model of local government reform or of local democracy in the region. Countries differ in terms of institutional design: some of them are territorially consolidated (Poland, Bulgaria), while others are fragmented (Hungary, Slovakia); they also differ in terms of functional decentralization, electoral systems, financial autonomy, etc. The same applies to the practical functioning of local democracy. In Bulgaria, there is more continuity of local elites after the political turnover in 1990 than in other analyzed countries. Bulgarian local governments are the most strongly influenced by party politics, while civic organizations play the most important role in Poland. Corruption is an important problem in all analyzed countries, although Estonia may be considered an exception to this rule. Data suggest that ideas of New Public Management and the shift from local government to local governance have been profound in the region—these are perhaps more visible in Poland and Estonia than in the other three countries. Satisfaction with the results of local government functioning

also seems to be higher in Estonia and Poland than in other countries. Although local governments are struggling with limited public interest, there are also signs of the success of the decentralization reform. For example, in all five countries, local authorities enjoy a much higher level of trust and satisfaction with their activity than is the case with central powers. The cross-country comparison concludes with a cautious optimism, which the editor of this book also shares.

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Report on the State of Local Democracy in Bulgaria

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1. INTRODUCTION

1.1 The Country

After almost fifteen years of transition, Bulgaria is now a “consolidated democracy” (Freedom House 2002). In spite of the many challenges encountered during more than a decade of building and strengthening democracy, Bulgarian society has proved in practice its maturity and adherence to the values of freedom and democracy. It has consistently conducted elections assessed by observers as free and fair, and the transfer of political power from one governing party to another has always followed legally established procedures. Fundamental freedoms and rights are guaranteed by the constitution and other supporting legislation, and the media are free from political control. The absence of nationalist, irredentist, and xenophobic political agendas appears to be one of the most stable and enduring elements of Bulgaria’s democracy. A vibrant civil society has come into existence.

Bulgaria has made progress in establishing the rule of law, but further improvements are needed. After a period of poor performance, the economy has recorded six years of robust growth. Economic reforms have advanced considerably, with more work remaining to improve the institutional framework and the business environment. The European Commission’s 1999 Regular Report on Bulgaria’s Progress towards Accession declared that “Bulgaria fulfills the Copenhagen political criteria,” demonstrating that the country has achieved “stability of institutions guaranteeing democracy, the rule of law, human rights, and respect for the protection of minorities.” The country’s accomplishments in establishing democracy and a market-oriented economy have laid the foundation for its successful integration into the EU. The negotiation chapters with the EU have already been finalized and an accession target date of January 2007 has been confirmed. An exceptional achievement for Bulgaria’s foreign policy is the fact that in 2004 the country joined NATO.

Bulgaria is a parliamentary republic, based on a clear division of powers and a set of institutional checks and balances within the political system. Supreme power resides with the legislative branch—the National Assembly. As Bulgaria has signed an Association Agreement with the EU in 1993, the National Assembly has been put under enormous pressure to bring the Bulgarian domestic legal system into conformity with the *acquis communautaire* of the EU. Draft preparation is transparent and is effectively communicated to the public by means of the Internet; important sessions are broadcast live on national television. The executive—the Council of Ministers—is appointed by the National Assembly after the president has handed the mandate to form a government to the individual nominated by the National Assembly to form a cabinet. The recent history of Bulgaria has offered quite a few opportunities to test this system and the constitutionally established procedures have been strictly followed. The president is both head of state and commander-in-chief of the armed forces. Several acute crises in Bulgaria have proven the potential of the presidential institution to unify different positions around a constitutionally sound consensus. The legislative branch is counter-balanced by an independent judiciary, including the public prosecutor's office, and also by a constitutional court that has the power to turn down legislation judged to be unconstitutional. Weaknesses in the Bulgarian judicial system have been a focus of criticism, and remain an area of increasing concern with respect to the strengthening of democracy and the protection of rights.

Bulgaria's population was 7,973,671 at the time of the 2001 census, and has been rapidly decreasing for the last ten years. Between 1990 and 2000 it decreased more than 7% (see Appendix 1). Of the general population, 83.6% are ethnic Bulgarians, 9.5% ethnic Turks, and 4.6% Roma. In terms of religious affiliation, the National Statistical Institute reports Eastern Orthodox Christians at 83.8%, Muslims at just over 12%, nonreligious persons at 3.9%, and others at 0.2%.

The economic transformations since 1989, which have been of a controversial nature, fall into four fairly distinct periods. Initially, a stumbling and cautious policy of liberalization and debt default led to economic stagnation. Next came a period of inconsistent economic reforms and feckless privatization policies, that led to a brief period of uncontrolled profiteering and the mass bankruptcy of banks. This resulted in a deep economic and social crisis and a brief hyperinflation cycle. The beginning of the forth period was marked by the introduction of a currency board in 1997, followed by speedy privatization and reforms in all spheres, including public administration, social policy, and the health insurance system. This is the only period that saw stable economic growth, low inflation, a gradual improvement in the standard of living, and a decrease in the shadow or gray economy. In 2001, Bulgaria was recognized as a market economy with good prospects for economic growth and for increase of foreign investments. The dark side of this development has been persistent low consumption, high unemployment, and low incomes, still about one quarter of the average income of EU member states.

Table 2.1
Key Economic Indicators

	1995	1996	1997	1998	1999	2000	2001	2002
Growth in GDP [%]	2.9	-10.1	-7.0	3.5	2.4	5.4	4.1	4.8
Inflation [%]	34	310	579	1	6.2	3.5	11.3	3.8
Unemployment rate [%]	11	12.5	14	12	16	18	17.9	16.3
Monthly wages [US\$]	130	56	108	128	122	122	118	139
Total revenues [% of GDP]	36	32	33	39.7	40.7	41.4	39.8	38.7
Total expenditures [% of GDP]	41	42	36	38.4	40.6	42.0	40.4	39.4
Fiscal balance [% of GDP]	-5.6	-10.4	-3	1.3	0.2	-0.6	-0.6	-0.6

SOURCE: World Bank (1999) and national statistical data.

1.2 The Local Government System

The tradition of local self-government in Bulgaria dates back to the 17th century, when the taxation and judicial systems within the Ottoman Empire were based on local community notables. Later in the 18th century, the local self-government functions were extended to the spheres of education, public utilities, and church wards. The early municipalities included only the population of one village or town. The tendency since then has been towards decreasing the number of municipalities and consequently increasing the average number of residents per municipality as seen in Table 2.2.

Table 2.2
Number of Municipalities in Bulgaria

Year	1880	1934	1944	1946	1949	1959	1979	1981	1987	1992	2003
Municipalities	1,354	1,211	1,771	2,113	2,178	979	291	300	273	255	263
Average population	1,483	5,019	3,936	3,359	3,319	7,997	30,400	29,685	32,880	33,283	30,987

SOURCE: H. Stanev et al. 2000.

Modeled after the French system, the modern Bulgarian state is characterized by a highly centralized administrative and governmental system. Even though local government autonomy may have increased from 1888 to 1934, during the decades that followed, from 1935 to 1990, the tendency toward increasing centralization is indisputable.

Local government (LG) reform was initiated in 1991, when free and competitive local elections were held. These elections were preceded by the adoption of a new, democratic

constitution that provided stable guarantees for individual rights and freedoms. However, the new constitution reaffirmed the existing strong tradition of centralized government. As a result, certain rigid constitutional provisions have blocked one of the substantial elements of LG reform—the decentralization process—and especially its vital aspect, fiscal decentralization. For example, since 1991 the requirement for a three-quarters or two-thirds majority has been an ongoing impediment even for minor constitutional amendments.

Another distinctive feature of Bulgarian local government reform has been its inconsistency. According to the 1991 Local Self-Government and Local Administration Act (hereinafter the LSGLA Act), the administrative structure must be tri-level: regional, district, and municipal. But the district level was never introduced and was legally abolished in 1995. A similar reversal occurred with the decentralization of city municipalities with a population above 300,000. In 1995, self-governing city districts were introduced with elected district councils and mayors, but four years later the districts were abolished, perhaps because these representative bodies had never acquired real powers (the LSGLA Act envisaged no delegation of competencies, as it stipulated that “the district councils should assist the municipal council”). There is an intrinsic link between the ineffective decentralization efforts and the frequent reversals of local government reforms. Certain constitutional amendments will be indispensable for the furthering of local government reforms.

The current local government system may be briefly characterized as follows. According to the 1991 Constitution, “The Republic of Bulgaria is a unitary state with local self-government” (article 2, paragraph 1). Chapter 7 of the Constitution deals exclusively with the local self-government and the local administration. It regulates the separation of powers between the legislative body (municipal council) and the executive (mayor) and gives the Supreme Administrative Court and the Constitutional Court the authority to decide, respectively, on disputes over competencies between municipal authorities and between the municipal and central authorities. The 1991 Constitution gives the municipality the status of a juridical person/legal entity with respective property rights and the right to independently dispose of its autonomous budget. The municipality is defined as “the fundamental unit of local self-government.” Two tiers of territorial division are introduced: municipal (*obshtina*) and regional (*oblast*). The regional level has never been considered a part of the local government, but rather a subdivision of the central government. While the municipal authorities are to be elected by free and competitive elections, the region has no elected bodies: the Cabinet appoints the regional governor, who is authorized to appoint the regional administration. The constitution also stipulates that in addition to the municipal and regional tiers of territorial administration, “other administrative territorial units and bodies of self-government shall be established by law.” Table 2.3 provides a good illustration of the changes in the tiers of administrative and territorial division during the last 65 years.

Table 2.3
Type and Number of Territorial Units (1949–2003)

Type of Units	1949	1981	1992	2003
Municipalities	2,178	300	255	263
District	117	—	—	—
County*	14	28	—	—
Regions	—	—	9	28

NOTE: * In 1987 nine regions replaced the existing 28 counties.

SOURCE: M. Stefanova 2003.

In order to make possible the constitution of democratic and autonomous local government, the parliament passed the LSGLA Act immediately after the promulgation of the new constitution on September 6, 1991. The law defined the competencies of the municipal authorities broadly, as a separate branch of power. On the other hand, the parliament did not abolish the existing legislative acts; hence, the freedom of municipal authorities to decide and act autonomously was substantially restricted. In order to resolve some of the existing legislative inconsistencies, the Constitutional Court reaffirmed the property rights of the municipalities vis-à-vis the state (Decision No. 14 of December 1993) and with the same interpretative decision defined “public property” in a way that favored citizens’ rights and public “needs.” These vital local government issues came to be regulated by a specific law three years later, when the Law on Municipal Property was passed (May 21, 1996). The Law on the Municipal Budget was passed even later—in 1998, followed by a new Law on the Municipal Budget, enacted in 2003.

According to the 1991 model of separation of powers, the citizens directly elect both the mayor and the councilors, but the mayor is not a member of the municipal council. The council meetings are presided over by a chair elected from the councilors, who determines the agenda and calls the sessions of the council. The mayor, on the other hand, as the head of the executive, is the official (legal) representative of the municipality.

The process of democratization in all post-communist countries has been characterized by a rapid increase in the number of municipalities. This would have been the tendency in Bulgaria too, as more than 1,000 requests for the establishment of new municipalities were filed at the Council of Ministers in 1991, when the introduction of the right of municipal self-differentiation was discussed. However, driven by the presumption that Bulgaria is a unified and centralized state, the legislators decided to set a threshold: in the 1995 Law on the Administrative and Territorial Division of Bulgaria, a minimum requirement of at least 4,000 inhabitants for a newly differentiated municipality was set, which later was raised to 6,000. These restrictions substantially

slowed down the increase in the number of municipalities (see Table 2.4). The table also reflects the changes in the adopted classification of the municipalities by size.

Table 2.4
Breakdown of Municipalities by Population Size

Population of Municipality	Number in 1997	Number in 2003
< 5,000	23	29
< 10,000	58	68
< 20,000	78	73
< 30,000	33	34
< 50,000	26	26
< 75,000	—	12
< 100,000	24	9
> 100,000	12	11
Capital Sofia	1	1
Total	255	263

SOURCE: M. Stefanova 2003.

1.3 Internal Structure of Local Government

Local elections have been conducted regularly since October 1991. The term of office of elected officials is four years. Following this cycle, local elections were held in 1995 and 1999; in 2003 the most recent local elections took place. Mayors of municipalities and of mayoralties and members of municipal councils are elected by popular vote. By-elections are held for mayoral positions that have fallen vacant before the term of office expires. Local elections are administered in accordance with international standards for a free and fair election process, but they usually attract fewer voters than national elections.

Municipalities are subdivided into mayoralties (*kmetstva*) and/or city wards (*rayoni*). Following the tradition of local self-government, the Law on Administrative and Territorial Division of Bulgaria stipulates that all settlements with the status of mayoralty elect their mayors, and those settlements not having such status have no mayor and are under the jurisdiction of a nearby mayoralty as defined by the Law on Administrative and Territorial Division of Bulgaria. The status of mayoralty has not been defined in any formal way and is mainly considered to be the outcome of former administrative decisions or of self-government acts. Hence, it is appropriate to define it as “based on common law.” The formal distinctions and requirements were introduced in 1999: settlements (villages and towns) with more than 500 inhabitants could elect

their mayors, while those with fewer than 500 and those with the status of mayoralty had lieutenant mayors elected by the municipal council. The big cities have warrant mayors, responsible for the local self-government in the city districts.

Administrative reform in Bulgaria aimed at introducing a transparent and accountable public administration and civil service had a very late start—the Civil Service Act and the Law on Public Administration were passed only in 1998. These laws introduced a unified structure, status, and coordination between the three tiers of government—central, regional, and local. The process of implementation of the Civil Service Act at the local level began in 1999 and is not yet finalized. According to the 2002 Annual Report of the Cabinet, the administrative reform has not been implemented (not completed) in nine municipalities.

Although the municipal councils may decide on the structure of the local administration and the number of administrative staff, the Cabinet is authorized to determine the maximum number of administrative positions according to the municipality size (number of inhabitants).

Not all members of the municipal administration have the status of civil servants. In most municipalities the number of civil servants is restricted to one or several—the Chief Administrative Officer and the Directors of the Directorates. Hence, there is currently no reliable data about the total number of civil servants. The results of the Local Government Survey of the ILDGP show that the number of administrative staff per municipality varies from 11 to 585, while the number of civil servants ranges from zero to 91.

The council is the most “authentic” municipal actor, as all its competencies are derived only and entirely from its status as local/municipal authority. While the mayor is an actor both in the municipal and central governments, a substantial part of his or her competencies is delegated by the central government or the state authorities.

The council has both legislative and executive functions as defined in article 21 of the LSGLA Act. They are:

- to adopt the budget of the municipality, exercise control over its implementation, and approve the relevant report;
- to set the size of local taxes and fees within the statutory limits;
- to decide on the acquisition, management, and disposing of municipal property, and to define the powers of the mayor, the ward mayors, and other mayors;
- to decide on the formation, reorganization, and termination of municipal companies and firms, and to designate its representatives in such companies;
- to decide on bank borrowing, interest-free lending, and municipal bond issues under terms and procedures provided by law;
- to decide on the design and approval of general and detailed territorial development plans for the municipality or parts thereof;

- to adopt municipal development strategies, projects, programs, and plans;
- to define the requirements governing the activities of natural and legal persons within municipal boundaries as they arise from the environmental, historical, social, and other characteristics of the inhabited places, and from the condition of the existing technical and social infrastructure;
- to decide on the establishment and termination of municipal foundations and on the management of donated property;
- to decide on the municipality's participation in local authority associations in this country and abroad and to designate its delegates to such associations;
- to create districts and mayoralties under terms and procedures provided by law;
- to propose changes in the administrative and territorial divisions, when these affect the territory and the boundaries of the municipality;
- to make decisions to name or rename streets, squares, parks, engineering facilities, zones, recreation areas, and other places of local importance;
- to consider and adopt decisions on the advice of the mayors, within its terms of reference;
- to decide on the holding of referendums and general meetings on issues within its terms of reference;
- to approve the municipality's coat of arms and seal; and
- to confer honorary citizenship on Bulgarian and foreign individuals.

The competencies of the mayor are within the sphere of the executive, and she or he has a key role in:

- management of the human resources of the municipal administration—she/he is personally authorized to make all personnel appointments and dismissals, with the exception of the appointments of vice-mayors, which are to be approved by the municipal council. Currently the Civil Service Act sets strict requirements for the appointment and promotion of those administrative officials that have the status of civil servants;
- management of the economic and financial resources of the municipality—she/he manages the municipal property and the municipal budget. The mayor works out and proposes the budget, which has to be approved by the council; she/he is also solely responsible for the implementation of the budget. The Law on the Municipal Budget introduces clear procedures for the division of competencies and responsibilities between the council and the mayor so that conflicts may be avoided or productively resolved. The Law on Municipal Property also regulates effectively the interactions between the council and the mayor—the council decides, while the mayor is entitled to represent legally the municipality in disposing of municipal property; and

- decision-making on municipal policies—the mayor has the broad ability to make proposals in all spheres and may participate in all sessions of the municipal council (debating without the right to vote); the mayor has weak veto powers—she/he may veto any decision of the council, and the council may override the mayor’s veto with a qualified vote of 50% plus one of the votes of all members.

The initial design of the local government system was “weak mayor–council,” but the practice during the last few years has led to a gradual evolution towards “strong mayor–council.” In 1999, there were legislative amendments strengthening the councils’ powers to dismiss the mayor. Immediately after their promulgation, at least three councils attempted to dismiss their mayors. The mayors appealed the decisions of the councils to the Supreme Administrative Court, which declared the procedures null and void. In 2000, new legislative amendments reinstated the autonomy of the mayor vis-à-vis the council and thus reaffirmed the tendency towards strengthening the mayors’ powers to decide on municipal policy.

The Bulgarian model of separation of powers between the central, regional, and local levels is usually defined as a “fused system” (Leemans 1970; Benet 1997), and is characterized by elected local authorities and very strong central government control. This system is undergoing a substantial reform, but the dominance of central government is still very strong. Article 144 of the 1991 Constitution stipulates that state authorities and their territorial offices “shall exercise control over the legality of the acts of the bodies of local government only when authorized to do so by law.”

The regional governor exercises administrative control over the acts of municipalities. According to the Public Administration Act (article 29), the regional governor is the sole executive governmental official within the region to be given power by the central government to guarantee consistency between national and local interests through the implementation of regional policy. The governor is appointed by the Council of Ministers. The governor has veto power over the decisions of local government: he/she may block the execution of acts of municipal councils by appealing them to the regional courts. The governor may also annul acts of the mayors, who in their turn may appeal the annulment to the Supreme Administrative Court. It is important to emphasize that the mayor may not convene the municipal council, while the regional governor is empowered to do so.

1.4 Project Indicators in Bulgaria

The current analysis is based on a systematic comparison of statistical and polling data; in addition, it draws extensively upon the results of two parallel empirical surveys carried out specifically for the purposes of this study.

The first survey was a face-to-face interview with Local Chief Administrative Officials (CAOs). The fieldwork was carried out from October 2002 to December 2002. All 263 municipalities (one was constituted during the second half of 2002) were targeted and face-to-face interviews were conducted with individuals holding the administrative position, “secretary of the municipal administration.” Where the position of secretary was vacant at the time of interviewer’s visit, the persons holding the position of “acting secretary” were interviewed.

The return rate was 72% or 189 interviews. The secretaries of the larger municipalities (regional centers in particular) were more difficult to reach and more often refused to be interviewed. They were approached several times (at least twice). The other considerable group of refusals came from position holders with less than a year of experience. A number of administrators were not available as they were on leave for business trips, vacation, or illness during the time of the fieldwork. The survey was carried out with the support of the National Association of the Secretaries of Municipalities (NASM), and the interviewers reported easier contacts and fewer refusals when association members were contacted (80% of the 263 secretaries are members of the NASM).

The survey indicators were adapted to the specifics of the Bulgarian local government system—all questions about the regional level were omitted and the specifics of the local government constitution were taken into account.

The second survey was a mail interview with local representatives—municipal councilors and mayors—conducted during the period of December 2002 to May 2003. The total number of councilors elected in 1999 was 5,252, but in December 2002, the number of serving or acting councilors was 5,244. A sample of 134 representative municipalities with regard to size, geographic location, ethnic composition of the population, and level of economic development was designed. All local representatives from the sampled municipalities were addressed—2,575 councilors and 134 mayors. The return rate was 35.7% for the councilors (920 cases) and 32% for the mayors (42 cases).

The sample is representative with regard to the basic characteristics of the general population of councilors as seen in Tables 1.5 and 1.6.

Table 2.5
Representativeness of the Sample by Gender

Gender	Male		Female		Total	
General population of councilors	4,141	79.0%	1,103	21.0%	5,244	100%
Sample of interviewed local representatives	759	78.8%	204	21.2%	963	100%

SOURCE: National statistical data.

Table 2.6
Representativeness of the Sample by Age

Age	Under 30		30–39		40–49		50–59		Above 60		Total	
		[%]		[%]		[%]		[%]		[%]		[%]
General population of councilors	133	2.5	1,075	20.5	1,895	36.1	1,456	27.8	685	13.1	5,244	100
Sample of interviewed LRs	20	2.1	165	17.5	337	35.6	297	31.4	126	13.3	945	100

SOURCE: LRS 2002.

2. AUTONOMOUS LOCAL GOVERNMENT

2.1 Legal Autonomy

Since 1991, the record of four consecutive mandates of local government has produced wide-ranging public consensus that independent and autonomous local government is of crucial importance for all public services provided to the society. At the same time, there is a general consensus that the existing legal framework is outdated and restrictive, limiting the effectiveness and efficiency of local government. The municipal authorities are empowered to make decisions and to act deliberately and autonomously on any issue of local importance, but there is no legal definition that distinguishes between issues of national, regional, and local importance. This is an impediment for the development and implementation of local strategies and the implementation of coherent policies in the various areas where the municipal governments have constitutionally and legally defined competencies.

Article 11 of the LSGLA Act broadly defines local self-government in a municipality as “the right of the citizens, or of their elected bodies with such terms of reference as conferred thereon, to resolve issues relating to:

1. municipal property, municipal enterprises, municipal finances, taxes and fees, and municipal administration;
2. the organization and development of the municipal territory and its component inhabited places;
3. education, including: pre-school, primary, basic, and secondary;
4. health, including: out-patient and hospital care, health prevention, community care, and sanitation;

5. culture, including: community clubs, theaters, orchestras, libraries, museums and museum collections, amateur art, rituals, local traditions, and customs;
6. public works and utilities, including: water and sewer, electricity, heating, telephone, streets and squares, parks and gardens, street lighting, green spaces, adjustment of river courses and gullies, domestic waste disposal, local public transport, local bath-houses, laundries, hotels, garages, and cemeteries;
7. social assistance, including: social care and allowances, social housing, and other similar activities of local importance;
8. protection of the natural environment and rational use of the natural resources of local importance;
9. conservation of cultural, historic, and architectural monuments of local importance; and
10. sports, recreation, and tourism of local importance.”

The LSGLA Act makes no distinction between mandatory and optional tasks of local government; in fact, such notions are not applicable. Instead, there is a clear distinction between the following two groups of tasks. First, those that are specific to the local self-government and are defined in the constitution as belonging only to the municipal authorities, i.e., constituting the local government per se. The second group of tasks stems from the competencies of the central government, and they are managed by a hierarchical structure subordinated to the central government, but are executed by departments or individual servants within the municipal administration. This group is subdivided into two: first, the tasks that are mandatory by instruction and, second, contracted tasks. The central government exercises tight control mostly on the contracted tasks. These include maintaining the civil register, conducting censuses, and administering elections. For each of those activities a detailed manual containing prescribed rules, regulations, and a timetable is provided by the central government and is strictly followed by the local administrators. The funds needed for these activities are allotted separately. Tasks that are “mandatory by instruction” are performed in accordance with special laws, such as the Traffic Law or the laws setting strict standards and technical prescriptions for such things as building construction standards. As a rule, when performing these tasks the local administrators provide paid services to citizens and local businesses. In some cases, these activities are partially funded by the republican budget.

The local authorities have exclusive competencies and are able to decide and act on their own discretion only in the provision of the following services:

- refuse collection and disposal;
- sewerage;
- street cleaning;

- maintenance of cemeteries;
- public transport; and
- the organization and maintenance kindergartens and nurseries.

Though the quality of the services is controlled by the state (on the basis of legally introduced standards), the municipality bears the political and administrative responsibility for their provision. In all of the spheres listed previously, the central government agencies have the power to use administrative mechanisms to block and sanction activities that do not meet the state standards.

In all other spheres of local government—education, social services, culture, sport, tourism, healthcare, economic development, environmental protection, provision of administrative services, and maintaining public order—the central and local governments have “shared responsibilities” that are vaguely defined and regulated.

Being the sole embodiment of executive power at the local level, the mayor represents the municipality in all legal and economic interactions and, in fact, is much more popular than the chair of the municipal council. In addition to the competencies of a local executive, the mayor has some competencies delegated by the central government. The municipal council may also delegate some of its competencies to the mayor. During the first years after 1991, there was a tendency towards transfer of competencies to the mayors, but this substantially decreased the controlling powers of the council. These accumulated experiences led to the opposite tendency—the next two mandates are characterized by restriction of the powers and competencies delegated to the mayors.

An example concerning one of the main functions of local government, education, will provide an illustration of the limits of the legal autonomy currently imposed on municipal authorities in Bulgaria. A substantial part of the municipal budget (32.1% for the 2001 fiscal year) is used for the primary and secondary schools, and it is worth examining the way education is managed. There are both municipal and state public schools (as well as private ones), but the municipalities are responsible for guaranteeing, providing, and controlling compulsory education (i.e., to the end of the eighth grade). The municipalities are also responsible for the provision of healthcare at the schools, the repair and maintenance of school buildings and equipment, the remuneration of school personnel, and the provision of food and accommodation for students, transports, and sport facilities, etc. While the mayors control the spending of the allotted funding at all educational institutions, they only appoint and dismiss the personnel in nurseries and kindergartens. Personnel appointments in all municipal and state schools are made by the regional education inspectorate—namely, by the head of the inspectorate, a civil servant appointed by the minister of education. At least two types of tension are provoked by this model of shared competencies. First, while the municipalities are responsible for the financing of all schools, they can only fully control the expenses (including the remuneration of the teachers, which constitutes a major share) of the

municipal schools, not the state ones. And second, although competent to control the budget in the municipal schools, the local authorities have no say on the appointment or dismissal of teachers and other personnel. These tensions are partially due to the lack of fiscal decentralization in Bulgaria; a majority of the municipalities depend on state subsidies and in reality have very limited revenues.

Local government in Bulgaria functions within the context of insufficient legal autonomy, which is the source of a complicated tangle of problems. As seen in Table 2.7, the unclear division of responsibilities between the central and local levels (due exclusively to the legislative vacuum and lack of efficient decentralization) goes hand in hand with the assignment of too many responsibilities, which is the perverse version of the dismantling of the totalitarian state. The decentralization of policies and services is in apparent contradiction with the lack of fiscal decentralization and the ensuing persistent budget deficits. In an attempt to maintain unified standards for the public services provided at local level, the central government blocks the industrious use of local resources and practices. This imposition of standards in how responsibilities are to be executed creates problems. Despite the lack of explicit and consistent legal regulations, there are no visible problems in the interaction between regional and local government, mostly because the regional level is still insufficiently developed and is, *de facto*, a branch of the central administration.

Table 2.7

Identified Problems in the Interaction of Central and Local Government

Type of Municipality by Population Size	Problem of Too Many Responsibilities	Problem of Assigned Standards in Responsibilities	Problem of Unclear Division of Responsibility	Problem of Interference from Regional Authorities
Less than 4,999	5.29	5.58	5.15	4.14
5,000–9,999	5.79	5.50	5.12	3.63
10,000–49,999	6.10	5.78	5.52	3.58
50,000–99,999	5.90	5.25	6.00	3.84
Over 100,000	5.90	5.50	5.50	4.40
Total	5.93	5.62	5.45	3.71

SOURCE: CAO survey.

2.2 Fiscal Autonomy

The municipalities in Bulgaria have had their own autonomous budgets since 1991, but the introduction of a consistent legal framework for a coherent model of local finance was substantially delayed, being passed only in 1998. From 1991 to 1998, local finances

were regulated on the basis of articles in Chapter 7 of the LSGLA Act, “Property and Finance of the Municipality,” where the texts are formulated very generally and vaguely. In addition, there have been permanent amendments and addenda to the normative bases of fiscal policy at the municipal level. According to these legislative texts, municipal budgets were completely dependent on the discretion of the central government (both legislative and executive), such that the constitutional principle of local self-government and the autonomy of local powers was not consistently and entirely followed. As a result, a severe problem faced by Bulgarian local governments is the discrepancy between their responsibilities and competencies and their actual capacity to implement them effectively. The considerable dependence of municipalities on central government, their limited capacity to influence their total revenue base, insufficient incentives to increase their own revenues and to improve the cost-efficiency of services, “unfunded mandates,” and the problem of unsettled expenditures (a result of the municipalities’ unpaid bills for goods and services) formed a pool of issues that called for action by central government. In addition, the reforms in a number of fields such as restitution, privatization, health insurance, and social security schemes also negatively affected the local finance system in a way that required comprehensive and long-term changes.

The Bulgarian Government took a major step in extending local fiscal autonomy by adopting the Fiscal Decentralization Program in 2002, thus declaring a political will to implement fiscal decentralization and setting a more structured policy framework to further the fiscal decentralization process. Implementation of the fiscal decentralization program has brought a number of legislative changes. A new Municipal Budget Act was enacted in November 2003, to rearrange the expenditure responsibilities between the state and the municipalities. The new Local Taxes and Fees Act of December 2002 has added to the flexibility of local representatives to develop independent municipal policy with respect to fees and cost of services, ways of delivering the services, etc. The purpose of the Corporate Income Tax Act and the Natural Persons Income Tax Act of 2002 was to increase the predictability, regularity, and proportional allocation of the shared taxes. The State Budget Act of 2003 has restructured the fiscal relationship with municipalities by introducing two types of subsidies from the state budget: one to fill in the deficit for financing state activities, and another to secure the minimum resources for local activities. A draft Municipal Debt Act has been prepared to significantly extend the credit portfolio of Bulgarian municipalities. It is expected that this act will come into force in January 2005. The tasks performed by municipalities were conditionally divided into municipal tasks (to be provided by local revenues) and tasks delegated by the state to the municipalities (to be provided by shared taxes and state subsidies). Standards were adopted in 2003 for expenditure responsibilities for education, healthcare, social welfare and social services, and cultural activities. The main goals of the development of the standards were to unify the criteria for financing similar activities by the state and the municipalities; to financially provide for the tasks delegated by the state to the

municipalities; and to ensure equality between municipalities in implementing the expenditure responsibilities assigned by the state.

Following the whole process of economic restructuring and the introduction of the Currency Board in 1997, local governments in Bulgaria went through a period of severe financial pressures with increasing budget deficits starting in 1998 and peaking in 2000 (see Table 2.8).

Table 2.8
Municipal Budget Deficits (1997–2001)

	1997	1998	1999	2000	2001
Deficit/surplus of operating budget [millions of BG leva]	12.7	–16.3	–57	–62.4	0.7

SOURCE: National statistical data, 2002.

At the moment, the financial picture across municipalities demonstrates wide ranging differences. Size and economic potential are among the key factors to influence the present situation. Table 2.9 shows the difference in budget deficits across municipalities for 2003. Out of all 263 municipalities, 120 have budget deficits and 76 of those have a level of deficit higher than the national average. The worst situation is that of large municipalities with more than 100,000 residents, as well as small ones with fewer than 10,000 people.

Table 2.9
Cross-differences among Municipalities

Type of Municipality by Population Size	Level of Indebtedness [%]
Sofia	0.0
> 100,000	–4.8
50,000–100,000	–2.4
30,000–50,000	–1.8
10,000–30,000	–2.7
< 10,000	–2.8
Total	–2.5

SOURCE: Monitoring of the Reform towards Fiscal Decentralization, 2003, 2004.

The basic principles of the municipal budgeting model in Bulgaria since 1998 have been:

- the municipal budget is autonomous;
- the budget is open to public scrutiny and controlled by citizens and public authorities (municipal council, audit court, etc.);
- budget revenues include: own municipal revenues (local taxes and fees, concessions, profits and dividends, rental and lease of real-estate, etc.), state transfers to the municipalities, subsidies and subventions from the republican budget; and
- expenditures should meet the requirements of law, expediency and feasibility, effectiveness, efficiency, and the public interest.

However, because Bulgaria has a highly centralized financial system, some of these principles are hardly enacted. The municipal authorities have very limited autonomy in determining their own tax revenues. According to the constitution, it is the prerogative of the national parliament to determine the taxes by type and size. As stipulated in the Local Taxation and Fees Act, the central authorities strictly regulate even the local taxes. The law gives autonomy to the municipalities only in determining the size of the local fees (levies).

Municipalities in Bulgaria have six types of own revenue:

- local taxes as defined by law;
- local fees;
- revenues from concessions;
- fines (both defined by law and decided by local administration);
- profits and dividends; and
- income from renting and leasing municipal real estate, and other revenues.

The distribution of the revenues of municipal budgets is shown in Tables 1.10 and 1.12, which also indicate the structural changes introduced by the Municipal Budget Law.

Table 2.10
Structure of Revenues in Municipal Budgets [%]

Types of revenues	1994	1995	1996	1997	1998
State subsidies	44.23	41.86	32.75	34.79	36.61
Shared taxes	33.96	37.21	46.05	55.65	46.58
Own source revenues	18.42	18.96	19.27	9.23	15.50
Attracted revenues	3.39	1.97	1.93	0.33	1.31

SOURCE: S. Ivanov 2000.

The structure of the revenues in the municipal budget and its changes during the period 1994-98 shows that the share of local/municipal revenues is relatively small. More than 80% of the revenues came from state subsidies and shared taxes, which meant that the central government was responsible for the predominant part of the municipal revenues—it determined their size and provided them to the municipalities. During that period, the municipal authorities had no incentives to design and implement their own fiscal policy. The existing budget regulations have also provoked a series of conflicts between central and local authorities. The budgeting prerogatives of the former, and especially its power to decide on the distribution of subsidies, were a useful tool for domination over local policy. This tendency becomes more distinctive when the structure of the so-called “own revenues” is examined (see Table 2.11).

Table 2.11
Structure of Own Revenues in Municipal Budgets [%]

Types of Revenue	1994	1995	1996	1997	1998	1999
Shared taxes	64.84	66.25	70.49	85.77	75.04	70.60
Income tax	45.69	47.57	48.11	52.28	48.83	46.66
Tax for municipalities	15.28	15.86	20.27	32.06	24.68	22.24
Local taxes	12.45	9.46	8.20	2.93	7.39	7.62
Local fees	8.66	8.96	7.43	4.88	10.00	10.50
Other local revenues	14.06	15.34	13.88	6.42	7.57	11.27

SOURCE: S. Ivanov 2000.

From the data in Table 2.4 it is evident that the biggest share of own revenues come from the shared taxes—of which the income tax constitutes the most substantial share. But the sharing of taxes both by type and proportion is defined by the central government. In fact, the local governments cannot decide on the balance between stimulating local business or providing welfare benefits to the local residents.

In 2003, the own revenues have amounted to 32.2% of all municipal revenues. The tendency in the last year is to increase the share of the own revenues. Following the amendment of the Local Taxes and Fees Act in 2002, local governments have now full competencies to determine the amount of local fees. The National Assembly is only competent to rule on the type of service for which fees may be charged. The opposite tendency is to decrease the share of the state budget transfers.

The structure of own revenues in the municipal budgets of 2002–2003 is presented in Table 2.12.

Table 2.12
Structure of Own Revenues in Municipal Budgets (2002–2003)

	Structure of Own Revenues in Municipal Budgets 2002 [%]	Structure of Own Revenues in Municipal Budgets 2003 [%]
Local taxes	30.5	28.6
Local fees	41.0	37.3
Non-tax revenues	28.5	34.1
Total	100.0	100.0

SOURCE: Monitoring of the Reform towards Fiscal Decentralization, 2003, 2004.

Table 2.13 shows the structure of municipal revenues after the passing of the Local Budget Law in 1998. The share of tax revenues is relatively high and stable. The share of non-tax revenues has steadily increased, while the state subsidies are fluctuating.

Table 2.13
Revenues in Local Budgets of Bulgarian Municipalities [%]

Type of Revenues	1998	1999	2000	2001
Tax revenues	52.27	47.09	44.50	51.25
Non-tax revenues	10.29	13.30	13.26	16.92
Aids	0.01	0.01	0.01	0.38
Transfers	37.43	39.60	42.23	31.45
Total	100.00	100.00	100.00	100.00

SOURCE: Consolidated state budget of the Republic of Bulgaria, Ministry of Finance, 2002.

The municipal budget expenditures depend on the competencies and responsibilities of local government. The Local Budget Act clearly defines the expenditures in accordance with the specified competencies of the municipal government—both delegated and own (see article 11 of the LSGLA, cited previously).

Table 2.14
Local Expenditures by Type [%]

Type of Expenditures	1997	1998	1999	2000	2001
Current	92.1	87.4	90.8	92.2	90.0
Capital/investment	7.9	12.6	9.2	7.8	10.0
Total	100.0	100.0	100.0	100.0	100.0

SOURCE: Bulgaria: Selected Issues and Statistical Appendix, IMF Country Report No 02/173, August 2002.

During the last several years, the share of current expenditures has been extremely high—about 90% of total expenditures. The limited capital expenditures indicate the restricted investments that have characterized local policy for more than a decade. This is also indicative of the high deficits and the shortage of own revenues—municipalities are forced by these circumstances to limit investment plans and to reallocate available finances to cover current expenditures. However, fiscal decentralization reform and the increased own municipal revenues have led in 2003 to investment expenditures that are 22.7% higher than the investment expenditures in 2002. This is the highest level of investment for the last five years.

Table 2.15
Current Municipal Expenditures [%]

Type of Expenditures	1998	1999	2000	2001	2002
Salaries and insurance	48.0	49.3	43.3	37.7	48.0
Maintenance of facilities	40.8	40.9	41.4	36.5	40.8
Subsidies	4.5	1.57	1.2	9.0	4.5
Interest	0.1	0.03	0.5	0.6	0.1
Social security and welfare	6.6	8.2	13.6	16.2	6.6
Total	100.0	100.0	100.0	100.0	100.0

SOURCE: Consolidated state budget of the Republic of Bulgaria, Ministry of Finance, <http://www.minfin.government.bg/bg>.

The most substantial share of current expenditures is spent on remuneration of municipal administration and public service personnel (in education and health care), i.e., salaries and respective social and health insurance fees. The other substantial share of expenditure goes for the maintenance of schools and hospitals. After the introduction of a health insurance system, the remuneration of doctors and medical personnel gradually was covered mostly by the National Health Insurance Fund (in 1999 the financing of pre-hospital healthcare and in 2001 health services in regional hospitals and orphanages). However, the maintenance of hospital buildings and equipment is still the responsibility of the municipal authorities and is to be covered by local budgets. With the social security system, changes have been in the opposite direction—the share of expenses covered by the municipalities is gradually increasing. The dynamics of the expenditures for public service (health, education, and social security) may be seen in Table 2.16.

Table 2.16
Structure of Local Expenditures by Policy Area [%]

Type of Expenditure	1997	1998	1999	2000	2001
Education	32.8	29.3	30.5	31.0	32.1
Health care	28.3	25.8	25.6	20.5	9.0
Social security and welfare	9.0	9.2	12.8	15.5	19.2
Other	29.9	32.3	31.1	33.0	39.7
Total	100.0	100.0	100.0	100.0	100.0

SOURCE: Bulgaria: Selected Issues and Statistical Appendix, IMF Country Report No. 02/173, August 2002.

The equalization mechanism envisaged by the law is provided by the debates on the annual state budget. Following a period of negotiation between representatives of the National Association of Bulgarian Municipalities and the Ministry of Finance, the cabinet proposes a formula for the redistribution of municipal revenues—the inputs from the “donor” municipalities are redistributed through state subsidies to the poorer municipalities. The state budget is voted on as a block by the parliament, although the section on the municipal budget is debated separately. When the municipalities submit their budget reports at the end of the fiscal year, the government may decide, in its discretion, to cover a share of the reported deficits. The overall annual deficit of all 263 municipalities is made public by the Ministry of Finance; for 2003, it is available in the Annual Report on the State Budget Implementation.

The 2003 overall annual deficit has been reported as minimal, at 625.825 million leva. However, the differences among municipalities are considerable: 56.7million surplus in some municipalities against 57.3 million leva deficit in others (see Table 2.17).

Table 2.17
Scale of Differences across Municipalities

	Type of Municipality	Surplus/Deficit [Leva per Resident]	Surplus	Deficit
1.	Sofia	18.9	18.9	0.0
2.	> 100,000	−8.7	4.3	−12.9
3.	50,000–100,000	−3.7	2.6	−6.3
4.	30,000–50,000	1.1	5.7	−4.6
5.	10,000–30,000	0.1	7.7	−7.6
6.	< 10,000	−4.1	5.7	−9.8
	Total (Bulgaria)	−0.1	7.2	−7.3

SOURCE: Monitoring of the Reform towards Fiscal Decentralization, 2003, 2004.

The data show that with the exception of Sofia, all groups contain municipalities with both surpluses and deficits. At the end of 2003, 120 municipal budgets showed a surplus compared to 143 registering a deficit. The worst situation occurs in the biggest (above 100,000 residents) and the smallest (below 10,000 residents) municipalities. The richest Bulgarian municipalities are located in the Black Sea area, while those in depressive economic zones, including rural mountain areas, are the most disadvantaged.

The monitoring report on the state of fiscal decentralization in 2003 has concluded that it is yet too early to speak of decentralization as a transfer of resources from the center to the local authorities. Indeed, municipal budgets have decreased as an absolute sum and as a percentage of the country's GDP. The report acknowledges that some of the objectives set in the Concept and Program for Fiscal Decentralization adopted by the Bulgarian government are partially achieved. Achievements so far include the full competencies of local authorities over determination of local fees, the strengthening of financial discipline, and the abolishment of particular obstacles to raising own revenues. However, there is a tendency towards centralization of the public services offered. Municipal budgets are still not stable. The causes of destabilization are the state budget transfers and the system of subsidies, which do not allow local authorities to plan their expenditures and revenues. In 2003, the share of own revenues in municipal budgets was markedly increased. Local authorities gained full local competency over the allocation and management of 40% of municipal expenses. At the same time, Bulgarian municipalities substantially increased the share of their investment expenses, whereas the created immovable property in 2003 was twice the amount of the property sold. Smaller municipalities are rapidly being capitalized. Only ten municipalities of 263 in the whole country have been decapitalized. The biggest differences among municipalities are seen in their capital expenditures, while expenses for activities delegated by the state are almost even.

2.3 Political Autonomy

The political autonomy of local governments is heavily influenced by the degree of power political parties have in the determination and implementation of local policies. Even in 2003, Bulgarian political parties had yet to complete the process of crystallization and stabilization. There is an ongoing process of profiling and re-profiling of parties, new parties are being created (e.g., Democrats for a Strong Bulgaria in 2004 and the National Movement "Simeon II" in 2002), and split-offs from parties have occurred (e.g., the split of the UDF in 2004). The fact that the party system is not yet well stabilized directly affects the stability of local politics. In pursuing their party policies, local party representatives often show little flexibility and in most cases adhere strictly to the central party directives, thus causing frequent conflicts

in the local municipal councils. The main political parties that have an influence on local policy are the Union of Democratic Forces (UDF), the Bulgarian Socialist Party (BSP), the Movement for Rights and Freedoms (MRF), the Bulgarian Social Democracy (BSD), the National Movement “Simeon II,” the Bulgarian Social Democratic Party (BSDP), the Peoples’ Union (PU), and the Internal Macedonian Organization (IMRO).

All Bulgarian parties are based on local structures that have been developed following the administrative and territorial division of the country. The basic or primary units of Bulgarian parties are organizations, with the exception of the Union of Democratic Forces (UDF), which has clubs and unions. The primary units (one for each local community) are subordinated to and coordinated by hierarchically ordered levels of municipal, regional, and national party structures.

The establishment of primary structures at the local level within each village or town is relatively easy. Most political parties require a minimum of ten party members in a primary organization, with the exception of BSP, where the minimum number is three, and IMRO with a minimum of seven. In the capital, Sofia, and in the other big cities, more than one primary organization can be established. These are not hierarchically subordinated, but are coordinated by the city organization and regulated by party statutes.

It is relatively easy to join most parties. The primary organizations may independently decide on the admission of new members, with the exception of MRF and IMRO: in MRF, the municipal party council has to approve the decision of the primary organization within one month, while in IMRO the new members have to submit a written request to the National Board of the party.

The only party that envisages dissolution of the primary organization by a higher party body is the BSDP, while all the other parties have statutes guaranteeing the independent existence of the primary party organizations.

The procedures for nomination of candidates for councilor and mayor are mostly identical with the ones for nomination of members of parliament. The procedures are usually not fixed in the party statute, but are worked out through discussion and voted on in the highest party forum. The primary party organizations take active part in the nomination, but usually the nominees are voted on at municipal sessions and are approved by a higher party organization. Only the BSDP gives full rights to the primary structures to nominate the candidates for local representative.

The two major parties with the highest number of representatives as local councilors and mayors are the BSP and the UDF, which have been the governing parties at the central level as well. The other major parties, though represented in the national parliament, rely on the support of specific regions and have political influence only within their respective regions. This is especially true for the third largest party—the MRF—which is the party of the Turkish ethnic minority. It is represented only in local

governments in regions with a dense Turkish population, located in north-eastern and south-central Bulgaria.

The recently established National Movement “Simeon the Second” (NMSE), which won a landslide victory in the June 2001 parliamentary elections, is still not represented at the local level. One year after the parliamentary victory of the NMSE, its candidates failed to get any support in the by-elections for mayors in two of the 28 regional centers (Rousse and Blagoevgrad). In light of the election results of 2001, the party’s performance in the last local elections of October 2003 (10% of the votes) was far from satisfactory.

The establishment of local coalitions, which differ from the ones functioning on the national (parliamentary) level, is acceptable both legally and in party statutes. These unlimited opportunities for establishing a variety of local coalitions have been constantly and productively utilized since the first free elections. But this practice makes the precise assessment of the influence of each party on local decision-making a very difficult task. Generally, parties are considered to be the most influential actor in Bulgarian politics, both at the central and local levels. This is also indicated by the LRS survey data.

The primary (local) and municipal party structures in Bulgaria, with the exception of the MRE, have considerable autonomy from the national party bodies in determining their policy with regard to the municipal authorities and government. In the party statutes of the BSP and the UDF there are special regulations concerning the interaction between local party organizations and its representatives in local government. The democratic procedures for coordination and control are explicitly defined. The rights of the local party structures of the BSDP are similarly defined.

All parties have Internet sites, where the party statutes are available as well as information about current decision-making at the central and local levels. A number of municipal party organizations have their own sites, linked to the sites of their parties and to the official site of the municipality.

As stipulated by the 1991 LSGLA, the municipal councilors and mayors may not be elected or appointed to any other government body—either municipal or central. There have been a number of cases when politicians had to choose between the positions of member of parliament and mayor, and very recently between that of mayor and Cabinet member (minister). Two of the ministers in the 2001 cabinet of Simeon Saxe-Coburg Gotta were acting mayors, who resigned.

Table 2.18
Major Bulgarian Political Parties: Statutes of Local Branches

Party	Type of Local Organization	Minimum Membership of Local Organization	Dissolution of Local Organization	Admission of New Party Members	Local Elections	National Elections
UDF	Club	Ten members	No rule	Full right to admit	Nominate, but the higher level of party structure approves under special rules	Nominate, but the National Council decides
BSP	Basic organization	Three members	No rule	Full right to admit	Nominate, but the higher level of party structure approves under special rules	Nominate, but the Supreme Council decides
MRF	Local organization	Ten members	No rule	Right to admit, but the higher level of party structure approves	No rule	No rule
BEL	Club	Ten members	No rule	Full right to admit	Nominate, but the higher level of party structure approves under special rules	Nominate, but the National Council decides
BSDP	Local organization	Ten members	National committee can dissolve the local organization if it acts against the party statute and program	Full right to admit	Full right to nominate	No right to nominate
IMRO	Local organization	Seven members	No rule	No right (the national board has the right to admit)	No rule	No rule

2.4 Conclusion

Since 1991, the record of four consecutive mandates of local government has produced convincing evidence of the democratization of political and public life in Bulgarian communities and cities. The society has reached a wide-ranging public consensus that independent and autonomous local government is of crucial importance for the provision of all public services. At the same time, the public administration reform, mainly involving its decentralization, has yet to be completed. Despite the fact that substantial progress has been achieved in many areas, e.g., Public Access to Information, Public Procurement, etc., some parts of the existing legal framework are outdated and restrictive, limiting the effectiveness and efficiency of local government. Local government in Bulgaria still functions with insufficient legal autonomy, which is the source of a complex set of problems. An unclear division of responsibilities between the central and local levels, together with the assignment of extensive responsibilities, creates obvious problems. The decentralization of policies and services is in apparent contradiction with the lack of fiscal decentralization and persistent budget deficits. In an attempt to maintain unified standards for public services provided at the local level, the central government blocks the industrious use of local resources and practices.

The move to legal and fiscal autonomy in local self-government in Bulgaria has yet to come to completion. The remaining challenges include the extension of the legal and fiscal autonomy of local governments, the adoption of supporting normative regulation, the finalization of appropriate institutional arrangements, and the implementation of the new regulations.

It is still too early to speak of decentralization as a transfer of resources from the center to local authorities. Despite the adoption of the Fiscal Decentralization Program by the Bulgarian government and the number of legislative and administrative changes that have come into effect, there are major changes in the fiscal autonomy of municipalities still pending. Achievements so far include the full competence that local authorities have acquired over determination of local fees, the strengthening of financial discipline, and the abolishment of certain obstacles to raising own revenues. Municipal budgets remain unstable because of state budget transfers and the system of subsidies, which do not allow local authorities to plan their expenditures and revenues. Positive trends seen in 2003 include the increase of the share of own revenues in municipal budgets, the increased competence of local authorities over the allocation and management of municipal expenses, and the raising of the level of investment expenses and of the created immovable property.

Whether the various parties currently represented at the local level will be able to move along together towards completion of the reforms remains to be seen. The fact that any fundamental change in the fiscal autonomy reform needs constitutional empowerment means that it requires a broad national consensus and consolidated

political will. How soon these steps will be taken is a matter of serious consequence. Any postponement in this respect has high social and political costs.

3. CONSTITUTIONAL LOCAL GOVERNMENT

3.1 Civil and Political Rights

From the earliest stages of the post-communist democratization of Bulgaria, the issue of minority rights and especially of the rights of Bulgarian Turks has been considered of primary importance. The last years of the communist regime were marked by severe infringement of the rights of Bulgarian Muslims. All persons having traditional Muslim names—Turkish and Roma Bulgarians—were forced to change them. The 1991 Constitution provides for sufficient protection of the civil rights of all Bulgarian citizens, and offers effective guarantees against any type of discrimination. Special attention has been paid to article 11 of the Constitution, which bans the formation of “political parties on ethnic, racial, or religious lines.” The text was initially considered restrictive and an infringement on the equal right to participate in politics. The established practices are in line with the 1992 decision of the Constitutional Court, which interprets article 11 in relation to the provisions of article 44, paragraph 2: “No organization shall act to incite racial, national, ethnic, or religious enmity or an encroachment on the rights and freedoms of citizens.” This affirmed the constitutionality of the Turkish minority party—the Movement for Rights and Freedoms (MRF). It should be emphasized, however, that the MRF has never explicitly stated (in its name or its statute) that the party is organized along ethnic lines. Currently the MRF is a member of the European Liberal Democratic Reform Party and has observer status in the Liberal International. There are adequate constitutional provisions for the protection of human rights in Bulgaria.

The Bulgarian Constitution guarantees freedom of expression (article 39), of religious belief (article 37), of association (article 44), as well as the right to privacy (articles 32, 33, and 34), property, inheritance (article 17), and economic initiative and enterprise (article 19). Article 19 also bans the abuse of monopoly power. In practice, the protection of these rights by the state is generally effective.

The two major ethnic groups, the Turks and the Roma, tend to live in separate communities; since 1990, they have been gradually and consistently integrated into the social and political life of the country. The constitutional concept of local citizenship is inclusive—no individual can be denied his or her rights on the grounds of any cultural, ethnic, or religious identification. Manifestations of extreme forms of ethnic and religious intolerance are rare in Bulgaria, mostly because of the recognized national tradition of

tolerance. At the same time, there has been a considerable delay in the establishment of both representative and administrative bodies performing and coordinating policies aimed at the integration of minorities (especially at the level of local government). The establishment of a National Council for Ethnic and Demographic Issues was the first step towards promotion of national minority strategies and administrative assistance for ethnic and religious pluralism. This specialized body was formally set up in June 1995, but did not function effectively until December 1997. Since the beginning of 1998, the central government has started to establish regional minority councils as part of the regional administration. The establishment of a specialized administration is now complete, with the appointment of municipal experts on minority policies in most of the municipalities with a mixed population. A representative of the largest minority group in the community usually holds the position of municipal expert. As of May 2002, twelve out of 28 districts have adopted district programs at the local level on the integration of minorities, and five of these have planned concrete activities. Currently, the development of administrative capacity in the area of minority integration is considered complete.

At the local level, municipalities can, and sometimes do, enact ordinances prohibiting discrimination. For example, the municipality of Stara Zagora has passed an ordinance prohibiting discrimination in the provision of public services, subject to administrative fines (Annual Report, Human Rights Project 1999). However, until recently there were no successful court challenges to discrimination in access to public accommodation. Since the new anti-discrimination legislation came into force on January, 2004, the European Roma Rights Center (ERRC), acting along with the Romani Baht Foundation (RBF) and the Bulgarian Helsinki Committee (BHC), has filed a number of civil actions alleging discrimination against Roma citizens. Following this course of action, as of September 30, 2004, five landmark judgments have been obtained from Bulgarian courts that sanction perpetrators of discrimination. Key factors in this success have been not only the new piece of legislation, but also the increased public awareness and the courts' willingness to be involved in these matters.

Since the early 1990s, a considerable number of NGOs have been working primarily in the field of protection of minority rights. The issue of minority integration became the focus of NGO projects later, starting in 1995–96. Most of the NGO programs are implemented in cooperation with local authorities. In an effort to facilitate partnerships with a variety of donors supporting minority integration, municipal authorities have also developed programs aimed at coordination of different projects within the municipality. The efforts of Roma organizations to develop the common platform articulated in the 1999 Framework Program, and to negotiate with the government to have it adopted (OSCE report 2000), exemplify the success of Roma political participation. Moreover, as part of the government's efforts to fulfill its commitments under the Framework Program, a total of 24 Roma were employed as experts in District Government Offices

by September 2000. The effectiveness of these and similar actions is somewhat limited by the fact that responsibilities and functions have not been defined, and most of the Roma participating in the programs have not even had appropriate job descriptions. In the light of the gross underrepresentation of Roma in the public employment sector, particular success stories remain sporadic. A more systematic approach and consistency within the government units are needed.

The Bulgarian Constitution protects cultural diversity and guarantees everyone the right to “develop his own culture in accordance with his ethnic self-identification” (article 54, paragraph 1). The official language is Bulgarian, but all Bulgarian citizens have “the right to study and use their own language alongside the compulsory study of the Bulgarian language” (article 36, paragraph 2). Compulsory education (from the first to the eighth grade) is provided only in Bulgarian, but on the initiative of any ethnic community optional courses in the mother tongue may be organized. The most common is Turkish language courses, offered in areas with a high Turkish population. There are several schools where Hebrew and Armenian are taught and a few where basic courses in Roma are being piloted.

The freedom to disseminate information in their mother tongue is guaranteed to all minorities by law. There are printed media in Turkish, and public television and radio deliver daily short news in Turkish. There are several private Turkish and Roma radio and television stations operating at the local level. Several Roma media—newspapers, magazines, radio, and television—rely on NGO support or have the status of NGOs.

The 1990 Bulgarian constitution provides for equal and free health care for all citizens (article 52). Since the introduction of the Health Insurance System, the health insurance of the socially vulnerable and unemployed (the Roma minority is predominantly in this group) is to be provided by the state budget, but administered by the municipalities. As a rule, the healthcare system now provides for the minimum required health services. Some vital health services are offered only in the bigger cities and some only in Sofia; furthermore, the access to them is extremely limited. Since the minorities tend to live in the peripheral municipalities, they are disadvantaged with respect to public health care services.

3.2 Rule of Law

The local government institutions must observe legal regulations, and control over the administrative and governmental acts is exercised on several levels. The mayor may appeal any act of the municipal council to the courts. One of the main competencies of the regional governor is to control the legality of all local government acts: he or she may overrule acts of the mayor on the basis of their illegality and may appeal acts of the municipal councils to the court, arguing that they violate the law.

The Audit Court and the Public Internal Financial Control Agency check the legality of all privatization deals (including those involving municipal property). Public expenses, including the management of municipal budgets, are also controlled. The annual reports of the Audit Court provide information to the public. According to the 2001 annual report, in 52 municipalities the audit resulted in the sanctioning of fourteen violations of legal procedures for the renting of municipal property.

The lack of administrative capacity and the practices of direct interaction between local business and local government still serve as a basis for legal violations, which are ineffectively sanctioned because of the slow and unproductive judicial procedures.

The activities of the public officials are regulated both by the general laws and by the rules and regulations passed by the municipal council. These rules, regulations, and statutes are promulgated in a variety of ways—the sessions of the municipal council and its committees are public, and the media and individual citizens may actively debate all issues and organize actions to influence local government decisions. Even the closed discussions within party fractions are subject to public scrutiny, and deals struck between councilors and business interests are often revealed by the local media, thus becoming a public issue. With respect to effective implementation of these rules, however, relevant examples show considerable diversity across the country, depending on the level of public and media involvement in specific cases.

The right to fair trial is guaranteed to every Bulgarian citizen and since 1992, when Bulgaria ratified the European Convention of Human Rights, it is explicitly required by law. The public provision of legal defense is limited: the state guarantees it to those who cannot afford a private lawyer only in penal law cases and when the prosecution brings charges that would result in more than five years' imprisonment (a detailed definition of these rights is given by Decision No. 479, January 8, 1996, of the First Division of the Supreme Courts on penal case No. 67). The existing system of separation of powers in Bulgaria leaves no role in this process for local government. The Bulgarian judiciary is highly autonomous and organized in a centralized manner. The funds for public defense are provided by the budget of the judiciary (passed by the parliament as part of the state budget). The courts are authorized to administer the provision of free legal defense, but the funding is so limited that the lawyers are only paid a symbolic honorarium.

Financial restrictions are considered to be the major impediment for the introduction of public defense in civil law cases. To mitigate these barriers, NGOs have organized the provision of free legal services by law clinics. Also, some municipalities have introduced the institution of Ombudsman. In certain cases of conflict of competencies, the courts, including the Constitutional Court, play the role of umpire in disputes between institutions of central and local government and between citizens and institutions. The major problem, however, stems from the serious inefficiency of the judicial system (investigation, prosecution, and the courts) and the diminishing public trust in their law enforcement capacity. Adjudication by Bulgarian courts is unanimously assessed as

slow and inconsistent. Imbalances in the power structure allow for abuse of rules and procedures (Nations in Transit 2004). The extent to which such abuse actually occurs is unknown, but public trust in the judicial branch is low. Surveys of public opinion, such as those conducted by Gallup International, have found that Bulgarian citizens do not believe the law applies equally to all. More specifically, respondents feel that wealthy people, politically connected people, and the state get better treatment than the average citizen.

Annual reports of the European Commission on Bulgarian accession have regularly acknowledged the need for reform of the judiciary, but actions so far have produced unsatisfactory results.

As seen in Table 2.19, the local representatives who were interviewed assess municipal administrative staff as slightly biased along party lines. The mean score varies in the different size groups, but shows no coherent correlation with the size or the party affiliation of the local representatives.

Table 2.19
Partiality of Local Administration (7-Point Scale*)

Type of Municipality by Population Size	Mean	N	Standard Deviation
Less than 4,999	3.00	25	2.10
5,000–9,999	3.95	205	2.00
10,000–49,999	3.46	364	1.73
50,000–99,999	3.30	145	1.58
Over 100,000	3.31	229	1.60
Total	3.49	968	1.77

NOTE: * 1—very biased; 7—not biased.

SOURCE: LRS 2002.

Despite their low trust in the judiciary, the citizens have a relatively high level of respect for the law. Even though legal norms are considered to be ineffective and in permanent flux, the citizens show general respect towards legal norms. As can be seen in Table 2.20, which presents data from a general survey on political culture (administered in October 2000 with a sample of 1,024 respondents), the attitudes of “ordinary people” are characterized by a basic respect for the law.

The lack of effective law enforcement, low administrative capacity, and mostly the slow and inefficient judicial procedures have led to low levels of compliance with legal regulations (traffic and tax regulations). Local representatives tend to think that most of the citizens consider the violation of the legal regulations as a “normal practice”; 22% of the respondents say that their fellow citizens don’t obey the legal regulations at

all or hardly at all. The mean scores by type of municipality are shown in Table 2.21; obedience to legal norms is slightly higher in small municipalities, where traditional culture and norms of solidarity are dominant.

Table 2.20
Index of Respect for the Law [%]

Survey Statements	Agree	Disagree	Do Not Know
It is not unjust to “go around” the law	10.4	66.9	22.7
The government should have the possibility of “going around” the law when solving important social and political problems	16.3	64.6	19.1
One can violate a law that one views as unjust	21.0	56.8	22.2

SOURCE: Alfa Research, Political Culture Survey, October 2000.

Table 2.21
Respect for Legal Regulations by Type of Municipality (7-Point Scale*)

Type of municipality	Mean
Less than 4,999	3.80
5,000–9,999	3.89
10,000–49,999	3.50
50,000–99,999	3.43
Over 100,000	3.31
Total	3.53

NOTE: * 1—not at all; 7—completely.

SOURCE: LRS 2002.

3.3 Conclusion

Effective enforcement of the new legislation is a condition *sine qua non* for the success of the public sector reforms. Weaknesses in this respect are numerous and have been continuously addressed at all levels. Annual reports of the European Commission on the Bulgarian accession emphasize the need for reform of the judiciary. Actions so far have produced unsatisfactory results. Law enforcement remains inefficient, slow, and vulnerable to corruption, so that it generates low trust in the judiciary. In spite of this, however, the citizens demonstrate a generally high respect for the law. The lack of sufficient administrative capacity and some practices of direct interaction between local business and local government still serve as a basis for legal violations, which are

ineffectively sanctioned because of the slow and unproductive judicial procedures. Relevant examples show considerable diversity across the country, depending on the level of public and media involvement in specific cases.

Within the transition period, Bulgaria has introduced adequate constitutional provisions for the protection of civil and political rights. Currently, the development of administrative capacity to specialize in minority integration is considered completed. There are also local efforts to rule against discrimination by issuing municipal ordinances. Recently, some landmark judgments have been obtained from Bulgarian courts that sanction perpetrators of discrimination. Key factors in this success have been not only the new Anti-Discrimination Act, but also the increased public awareness and the courts' concern about these matters.

4. TRANSPARENT AND ACCOUNTABLE LOCAL GOVERNMENT

4.1 Transparency

The Law on Access to Public Information (LAPI) passed on July 7, 2000 regulates the access to documents of local government. The law defines public information broadly: any information relevant to public life (i.e., to the activities of central and local government), which gives the citizens an opportunity to develop an opinion about governmental activities, is considered to be public. The restriction of access is based on the definition of “classified” and/or “secret” information, defined in accordance with EU standards. The distinction between official and service information is also legally defined—the former is the information provided by governmental acts, while the latter is the information related to the functioning of governmental bodies or their administrations.

The access to public information is guaranteed to all Bulgarian citizens, to citizens of other states, and to persons without citizenship. The basic principles of access are:

- transparency, reliability, and thoroughness of information;
- equality of access;
- legality of the process of seeking and receiving public information;
- protection of the right to be informed;
- protection of personal information (data); and
- guarantees for the national security.

The LAPI defines the rules and procedures for access to public information. The access to official information is assured through the publication of all governmental acts, including acts of local governments. The access to service information is free and

unrestricted with the exception of cases related to negotiations on forthcoming deals or pending tender procedures. All restrictions are valid for no more than two years after the information is produced. The access to public information is free of charge—the citizens who receive it pay a small fee that covers the expenses for the information carrier and the delivery service.

In order to ensure transparency and to enable easy access to information, the heads of administrative units are required to publish information regularly about the functioning of their unit, about the competencies and the responsibilities it assumes, and the current activities it performs; the information resources used by the respective administrative unit; and contact information (name, exact address, working hours, phone, etc.) of the person or persons responsible for the provision of public information to citizens.

The procedure for providing public information is simple and clear—it is provided after a written or oral request (e-mail is considered a written request and a telephone call an oral one). All submitted requests are registered and the local government body is obliged to answer the requests within fourteen days. The deadline may be extended for no more than ten days, when the information is sizable or difficult to accumulate. The administrative officials who violate the LAPI or the procedures for its application are liable to administrative sanctions in the form of fines or penalties.

The request may be denied only if: 1) the requested information is a classified state secret; 2) it concerns a third private person who has given no written permission for making it public; 3) it has been requested and provided to the same subject within the previous six months. A citizen may appeal the denial to the regional courts.

By December 2002, most of the municipalities had reorganized their administrations in order to meet the requirements of LAPI, which implies that the regulations, financial and human resources, and administrative reorganization are completed. The 2002 government report states that in only 31 of the 263 municipalities have these preparatory administrative changes not been finalized. There is not sufficient data to determine whether the delays have been sanctioned.

During the year 2002, 2,718 requests for access to public information were submitted to the municipal administrations in Bulgaria (see Table 2.22). The data show that the majority of requests come from individual citizens; the other two registered subjects are the NGOs and the journalists. It is also noticeable that the number of refusals is relatively low; considering the even lower number of court cases, one may conclude that the procedures for requesting and delivering public information to citizens are effective and in accordance with the requirements of the law.

The 2002 report of the Minister of Public Administration on the state of Bulgarian public administration reported 190% growth in the annual number of requests for access compared to the previous year, which indicates that the procedures and the practices introduced in municipal administration are popular among citizens and stimulate regular requests for public information.

Table 2.22
Requests for Access to Public Information Submitted
to the Municipal Administration (January–December 2002)

Number of requests submitted by:		Total requests: 2,718
journalists	83	
NGOs	33	
other citizens	2,545	
Number of refusals		44
Number of initiated court cases/law suits		7

SOURCE: 2002 Report of the Minister of Public Administration.

The most frequently requested public information is copies of data or documents about the administration's activities and public management, copies of certificates or documents about real-estate property rights, a variety of statistical and demographic data, information about the remuneration of administrative staff, copies of minutes of sessions, and decisions taken by different municipal bodies.

E-government at the municipal level is in the process of being established: 125 out of 263 municipalities have their own websites, and another five have Internet sites under construction. The Internet sites provide comprehensive information about municipal activities both in Bulgarian and English. The CAO survey shows that 123 of the interviewed Chief Administrative Officials declare that they have a municipal website (see Table 2.23). The National Association of Municipalities in Bulgaria (NAMB) has as its priority the provision of Internet services to the municipalities and the introduction of e-government at the municipal level. One of the projects of NAMB was the design and maintenance of municipal Internet sites. Some of the bigger municipalities such as Veliko Tarnovo, Pazardjik, Stara Zagora, and Montana maintain two web pages. There are several commercial and public Internet providers offering an exhaustive list of municipal web sites.

The general format of the municipal Internet sites provides the following information:

- broad information about the natural and human resources and a brief history of the municipality;
- social and economic profile on economic development, major enterprises, employment/unemployment dynamics, infrastructure parameters, education, healthcare, cultural institutions and activities, sport, tourism, and leisure facilities;

- information about the structure of local government and administration supplemented with personal information about the local representatives (councilors and mayors) and more general data about the administrative staff (number, educational qualifications, and functions);
- information about the office times of different municipal agencies and the services provided by them;
- information about the municipal budget and its current balance; and
- access to all documents voted on by the municipal council, including rules, regulations, policy strategies, and investment plans, as well as the shorthand records from the sessions of the municipal council.

The website of the municipality of Sofia provides citizens with the opportunity to get current, day-to-day information about the flow of documents they have submitted to the different administrative agencies, thus making both service and control easier. This has not remained an isolated practice, but has been followed by a number of municipalities.

On the sites of all large municipalities there are open discussion forums, where citizens may actively participate in debates on hot policy issues, express and exchange opinions, or make suggestions about desirable improvements and changes in the municipal government and administration.

The review of the municipal Internet sites shows that the bigger municipalities regularly update their information, while in the smaller ones there is a significant delay. In fact, the first sites were created around three or four years ago.

The CAO survey data show that information is also provided by e-mail in more than half of the surveyed municipalities. The provision of services by e-mail is not as widespread as it should be because of the limited use of electronic signatures.

The various sources of municipal e-government are presented in Table 2.23.

Table 2.23
Sources of Municipal E-government [%]

	Yes	No	Total
Municipal government has a website (N 183)	67.2	32.8	100.0
Local government provision of information by e-mail (N 183)	58.5	41.5	100.0
E-mail usage by local representatives (N 953)	28.2	71.8	100.0
Internet usage by local representatives (N 950)	39.1	60.9	100.0

SOURCE: CAO and LRS surveys.

The LSGLA Act stipulates that municipal governments have the obligation to inform the citizens about their decisions and the activities carried out by the mayor and the

municipal administration in a timely and appropriate way. The Public Administration Law allows for the establishment of an autonomous public relations unit within the administration of the municipality. This is a recognized practice in big municipalities, where the available resources are larger. In the smaller ones there is usually just an administrative official, who bears the responsibility for managing the public relations of the municipality. Since government provisions limit the number of administrative employees, and financial resources are limited in two-thirds of Bulgarian municipalities, there is no separate position of public relations officer (see Table 2.24). More than 40% of the interviewed CAOs state that they do not have public relations duties assigned to a specific person or position in the municipal administration. As seen in the cross tabulation, these are predominantly small and medium size municipalities, where the number of local media is limited.

Table 2.24
Staff Member to Inform Journalists

	Frequency	Valid Percent
As main duty	47	25.5
With other duties	59	32.1
No	78	42.4
Total	184	100.0

SOURCE: CAO survey.

In about 40% of the municipalities contacts with journalists are organized regularly, while in more than 50% they are organized on specific occasions. Only in 7% of the municipalities did administrative officials indicate they do not organize meetings with journalists (see Table 2.25).

Table 2.25
Frequency of Contact with Journalists

	Frequency	Valid Percent
Regularly	74	40.2
Occasionally	96	52.2
Never	14	7.6
Total	184	100.0

SOURCE: CAO survey.

As a rule and as part of an established tradition, the decisions of the municipal council and the rulings of the mayor are announced on a special board in the town hall (the municipality's premises). On that board the citizens can also get information about the services provided by the municipality, the required documents and forms, the terms of delivery of the services, etc. In bigger municipalities, the written announcements are duplicated by electronic ones provided by a computer available to the public in an easily accessible place within the town hall. Thus, different groups of the population with different information skills are targeted.

When reviewing the issues that have been the subject of public relations campaigns, it is important to emphasize that some of the most important municipal matters are not discussed in public. For example, in only about 15% of the municipalities is there a practice of organizing public discussions on the draft municipal budget, where representatives of NGOs and journalists are invited (Table 2.26). Just publishing the draft budget is considered a standard by only 23% of the interviewed Chief Administrative Officials. This data strongly indicates a deficit of transparency in decision-making on issues of budgeting of municipal activities—and hence, all major policies of the municipalities. Perhaps to a certain extent the lack of publicity when working out the budget is due to the highly centralized system of local financing, which requires a complicated procedure of coordination and approval of the draft budget by the central government. This undermines the importance of public discussions at local level.

Table 2.26
Public Deliberation on the Local Budget

	Yes	No	Total
Discussed planned budget with civic organizations (N 141)	20.6	79.4	100.0
Held public hearings on the budget (N 142)	20.4	79.6	100.0
Publication of draft budget (N 145)	30.3	69.7	100.0
Discussed planned budget with journalists (N 144)	21.5	78.5	100.0

SOURCE: CAO survey.

The sessions of the councils are open to the public and there are no restrictions to access for individual citizens or for representatives of NGOs or journalists from the local or central media. The municipal councils usually convene their sessions according to a preliminary, announced schedule, where the sessions are held regularly on the same day of the week in the same place and starting at the same time. This is intended to facilitate regular public access. The only impediments are of a physical or technical nature—usually there is not enough space for the public in the halls where council meetings are held, and this may be used as an argument to limit the number of those present. To compensate

for these technical limitations, the local media (television networks, radio stations, and newspapers) usually not only report on the decisions, but also cover the debates. When an important issue is debated, there is an established practice of direct transmission of the debates on local television and radio, while in regular cases the debate is covered by an extended report. Some times not only the local, but also the national media advertise the forthcoming sessions of municipal councils. This is done on a regular basis for the bigger municipalities and occasionally for the smaller ones.

There are no regulations concerning access to the sessions of the permanent committees of the municipal councils. Usually there is an established practice of inviting people who have an expertise on the matter under discussion, representatives of NGOs, etc. The technical secretaries of the municipal council or the councilors themselves usually provide information about the forthcoming meetings of the permanent commissions. When regular briefings with journalists are held, the issues to be discussed on the forthcoming sessions of the permanent commissions are announced. Some municipalities provide this information on their Internet pages.

4.2 Corruption in Local Government

Corruption is currently one of the hottest issues in Bulgarian public debates, of equal importance with issues like the unemployment rate and the low living standard of the majority of the population. This is true both for local and national politics. While Bulgaria's ranking in the Transparency International Corruption Perception Index has improved considerably, from 66th place out of 85 in 1998 to 47th place out of 91 in 2001, and 54th place out of 133 in 2003, the share of the public that ranks corruption among the most serious problems facing the country has risen from 36% in 1999 to 45% in October 2001 (Freedom House 2004).

Corruption at the local government level is a particular problem. A study carried out by the NGO Coalition in 2000 has identified the following areas of local public administration as especially prone to corruption: municipal procurement; licensing of economic and trade activities; renting and tenders for reconstruction of municipal sites; tenders for privatization of municipal property, and supplying of municipal premises with fuel and consumables. In discussing corruption at the local level of public administration, one should bear in mind that because of the relatively centralized system, a wide range of public services are provided not by local governments and agencies appointed by and accountable to local citizens, but by local offices of central institutions. For example, gaining a construction permit requires signatures from four such institutions (UNDP Report on Anti-corruption Initiatives in Bulgaria, 2002).

The existing legal regulation provided only a partial and imprecise basis for a clear distinction between the public and private interests of local representatives (municipal

councilors and mayors). According to article 34, paragraph 5 of the LSGLA Act, the municipal councilors cannot be members of the managing bodies of municipal firms (directors, general managers, vice-directors, or vice-managers). This restriction was introduced right before the 1999 local elections as part of the UDF strategy for preventing corruption and embezzlement practices on the local level. However, the problem of conflict of interest, including conflict between private and public interests as well as between partisan and public ones, has not been thoroughly resolved. With regard to the local elections in October 2003, the parliament has amended the LSGLA Act, banning the participation of municipal councilors in the supervisory bodies of municipal firms, e.g., boards of directors. There is no restriction, however, against the election of owners of enterprises and firms as councilors (such a restriction does exist for cabinet members and public servants). As indicated in Table 2.27, about 20% of the interviewed local representatives have their own private business firms and 6.4% are self-employed. Hence, 27% of the respondents have private interest, which might be in conflict with the public interests of the municipality.

Table 2.27
Municipal Councilors: Nature of Employment

	Frequency	Percent	Valid Percent
Owner with more than five employees	111	11.4	16.4
Owner with one to five employees	75	7.7	11.1
Self-employed	62	6.4	9.1
Employee, executive supervisor	315	32.3	46.5
Employee	115	11.8	17.0
Total	678	69.5	100.0
Missing	298	30.5	
Total	976	100.0	

SOURCE: LRS 2002.

In order to restrict partisanship among mayors and to guarantee stronger protection against conflict of interest, the LSGLA Act (article 41) stipulates that mayors (of municipalities, mayoralties, and districts) cannot participate in party leaderships, own business firms, or be members of managing or supervisory bodies of any firm or enterprise. Though cabinet members and high magistrates are required to publicly declare their property on an annual basis, there are no such requirements for the local representatives.

There are no statistical data on existing conflict of interest cases, but the media regularly report on such cases and as a rule the public is kept informed about attempts

to use public positions for private interest. There is a high level of social intolerance for such practices, and electoral support rapidly decreases when conflict of interest is known to exist. It is widely believed that the UDF lost support in the 1999 and 2001 elections due to lack of party sanctioning for such cases (in 1997 the same party won a landslide electoral victory). Public opinion polls also show an increasing intolerance towards embezzlement and corruption.

The Public Servant Act (PSA) regulates the separation of public and private interests, including at the level of municipal administration. Since a limited number of municipal administrators have the status of public servant, conflict of interest is thus neither regulated nor sanctioned for a substantial part of the municipal administrative staff. For example, the number of people with civil servant status in district and municipal administrations by May 2002 amounted to 3,460 people, only about 18% of the 19,000 employees. In most municipalities, however, people at the higher administrative level generally have the status of public servants. For them, the PSA upholds the European standards: public servants may not be owners or co-owners of a firm or limited company, or be managers or on the supervisory boards (responsible partner) of any firm, or hold any equivalent position. Also, they may not have any kinship relations with staff members who are their direct subordinates. The law requires a written declaration of any kinship relation of this type.

There is still no efficient process for holding public servants and administrative officials accountable for acts of corruption. Despite the fact that the Bulgarian Penal Code defines corruption as a crime (for bribery, both citizens and public servants face sanctions of three to ten years of imprisonment and a penalty of up to 15,000 Bulgarian leva), these measures often cannot be effectively applied.

During the last three years, as part of the public administration reform, the municipalities have introduced one-stop, single counter service. These measures not only increase efficiency in the provision of services, but also substantially limit the practice of offering or requesting bribes. There is no available data on how many municipalities have introduced this service. The National Strategy for E-Government and One-Stop-Shop Service was prepared in 2002; hence, the first results of the implementation of the unified standards and models introduced by the strategy will be available as early as the end of 2003. The number of services available via the Internet is still limited, but is rapidly increasing. By the end of 2003, two of the largest municipalities (Sofia and Rousse) will offer fourteen services to citizens and eight to businesses via Internet.

The rules for financing the election campaigns of mayors and councilors are defined by the Local Elections Law of July 25, 1995. Election campaigns may be financed by party funds or by donations from citizens and legal entities. Donations from state or municipally owned companies and companies owned by foreign investors are banned (article 68). A candidate for councilor may spend up to 3,500 levas, and a municipal mayoral candidate up to 20,000 levas. Not later than a month after the elections, each

of the elected candidates must submit a report to the municipal council detailing his or her campaign sources and expenditures. If violations come to light and the regional prosecutor brings the case in front of the court, the election result of the candidate in question may be annulled and the money confiscated. There is no data to show that this has ever happened so far.

The Law on Political Parties, which came into effect in March 2001, contains several anti-corruption provisions, including: a ban on the involvement of political parties in commercial activities and from owning shares in organizations involved in commercial activities; and an exhaustive list of admissible own-revenue sources and regulation of the annual state subsidy (granted proportionally to parties represented in the National Assembly on the basis of votes cast in the election, as well as to parties not represented in Parliament but which received at least 1% of votes cast). Among parties' own sources are: enlisted membership dues, property rents, and incomes from publishing and copyrights. Parties may also receive donations from private citizens and contributions (including testaments) from people. Donations coming from companies and citizens may be anonymous but they cannot exceed 25% of the budget subsidy. Small parties with less than 1% of the valid votes are treated the same as the smallest party receiving a budget subsidy. No individual may donate more than 30,000 levas per year.

Restrictions on company donations to political parties are similar to those applying to election campaigns. State or municipally owned companies (with over 50% ownership control) and companies having municipal or state contracts may not donate to political parties. This restriction also applies to the companies of foreign governments and organizations. Despite serious objections during the parliamentary debate and the subsequently imposed presidential veto, the right to anonymous donations was partially maintained in the law. The Act has assigned full control over political parties' finances to the National Audit Office. Thus, every registered party is obliged to submit an annual financial report to the Audit Court by March 15. Failure to submit can result in a loss of the budget subsidy, if the party is entitled to one. Although the issue of party financing has been frequently debated in the last ten years, efforts to come up with relevant legal regulations came rather late, and the controversial practice of anonymous contributions was legalized. Liberal rules on donations, a non-transparent system for determining state subsidies, and the virtual absence of supervision are among the factors underpinning widespread illegal funding and corruption, although direct evidence of corruption is scarce (Corruption and Anti-corruption Policy in Bulgaria, 2002). According to the National Statistical Institute there were 45 convictions in bribery-related cases in 2000. Table 2.28 shows figures on corruption cases reported by the Ministry of Justice. These statistics would seem to indicate lack of enforcement more than low levels of bribery.

Efforts to limit the influence of powerful local business interests over public policy date back to 1992. The Law on the Privatization of State and Municipal Enterprises (1992–2002), the Public Procurement Law (1999), and the Law on Privatization

and Post-privatization Control (2002) require the introduction of transparent and accountable public management. In addition, municipal councils establish rules and regulations aimed at improving the efficiency of the legislative processes. There is an explicit legal requirement for municipalities to work out such regulations in order to manage and privatize municipal assets (property). The council has administrative control: the mayor implements the decisions of the council and is accountable to the council for the outcomes. Judicial control may be initiated both by private persons (citizens, parties, NGOs, etc.) and by governmental institutions.

Table 2.28
Bribery Cases among Public Officials (1997–2001)

Year	Number of Convictions	Acquittals
1997	26	3
1998	21	4
1999	25	2
2000	21	1

SOURCE: Ministry of Justice.

The major aim of the Public Procurement Law is to guarantee efficiency and accountability in public expenditure. The basic principles are competitiveness and transparency. The law covers a wide range of goods and services used or provided by the public sector. It strictly defines the procedures of application, selection, and assessment. It has been substantially improved by some amendments passed in 2002, as the application was simplified and the procedure for appealing to the courts has been made more precise. On the whole, control over the management and privatization of public assets has been substantially improved.

A Register of Public Procurement and Tenders was established in 2000 and is updated on a daily basis as required by the Public Procurement Law. The control over public procurement is centralized and carried out by the Public Internal Financial Control Agency, which is subordinate to the Ministry of Finance and the Audit Court.

At the municipal level, the mayor announces public tenders as manager of the municipal budget. The Public Procurement Law stipulates that decisions made by the mayor have to be approved by the Municipal Council before their implementation, so even if the council has worked out general rules and regulations, the public procurement decisions are approved case by case. Perhaps this is the reason why half of the interviewed Chief Municipal Administrators state that in their municipality the councilors have not worked out such rules and procedures (Table 2.29).

Table 2.29
Public Procurement Regulations in Municipalities

	Frequency	Percent	Valid Percent
Exist	90	47.6	50.8
Do not exist	87	46.0	49.2
Total	177	93.7	100.0
Missing	12	6.3	
Total	189	100.0	

SOURCE: CAO survey.

The personal assessments of the municipal councilors about the influence of local business interests on municipal policy are presented in Table 2.30. Though most councilors consider this influence to be lower and not comparable with the influence of the mayor and the political parties, a substantial group (36.2%) assesses it as higher than the medium. This split in the opinions of the councilors shows that despite strict regulations, local business may still, in certain cases, have a dominant influence on the decision-making of the municipality.

Table 2.30
Influence of Local Business on Local Government Policies (7-Point Scale*)

	Frequency	Percent	Valid Percent
1–3 Low	382	39.1	40.8
4 Medium	215	22.0	22.9
5–7 High	340	34.8	36.2
Total	937	95.9	100.0
Total	976	100.0	100.0

NOTE: * 1—very little influence; 7—very great influence.

SOURCE: LRS 2002.

When asked to assess the influence of local business interests on their own opinion and positions, the majority of the municipal councilors chose marks below the average (see Table 2.31) and only 19.3% admitted that local business interests had a high or very high influence on their decisions.

Table 2.31
Influence of Business on Local Councilors' Opinions (7-Point Scale*)

	Frequency	Percent	Valid Percent
1–3 Low	547	56.1	58.1
4 Medium	211	21.6	22.4
5–7 Higher	182	18.6	19.3
Total	940	96.3	100.0
Missing	36	3.7	
Total	976	100.0	

NOTE: * 1—very little influence; 7—very great influence.

SOURCE: LRS 2002.

Manipulation of the public procurement procedures and the management of public property is possible despite formal compliance with legal requirements; thus, certain corrupt practices are introduced. Decisions of public authorities on applications for public tender can be appealed to the courts, but the judicial process is slow. Since generalized data are not available, it is difficult to assess the overall effect of judicial control. But appeals are made regularly, on both the national and municipal levels.

In 2001, a National Anti-Corruption Strategy was unveiled by the cabinet (www.government.bg). The general principles framing the strategy are:

- transparency;
- minimizing personal discretion in the administrative process of provision of public services to private citizens and businesses;
- optimizing financial and fiscal control;
- precise and highly specified regulation of interactions between the public and private sectors; and
- detailed regulation of practices for protection of both public and private interests involved in service provision.

The strategy puts an emphasis on anti-corruption measures at the level of local government.

Corruption that takes place in locally elected bodies and in the local administration, where daily contact with citizens takes place with regard to the most frequently demanded services, is officially defined as “small/low level” corruption. However, it has long-term and long-lasting negative consequences, distorting local self-governance and affecting society negatively.

The regulatory and administrative framework for fighting corruption in Bulgaria continued to improve in 2003. Two government bodies created in late 2002 became operative in 2003. The Commission for Coordinating Actions Against Corruption (www.government.bg) was formed by the Council of Ministers, while Parliament created the permanent Parliamentary Committee on Fighting Corruption. In the executive branch, special anti-corruption units have been created within different ministries and the police. Further legislation to fight corruption was adopted during 2003. The effects of these measures, however, have yet to be observed (Freedom House 2004).

To increase the transparency of the activity of the local authorities, certain mechanisms and instruments have been provided as part of the new legislative framework for the creation of a functioning local self-governance in the country (the Constitution of the Republic of Bulgaria, the Local Authority and Local Administration Act, the Administrative and Territorial Governance Act, and the Referenda Act). These should be applied more efficiently through:

- improving the efficiency of the local councils and more effectively implementing the legislation on local administration (the Regulations for the Organization and the Activity of the Local Council and the Local Administration, the regulations for disposing of and renting local property, etc.), thus limiting the possibility of exerting pressure on the local administration;
- improving the activities of the permanent and temporary local commissions, and better implementing their functions of control over the local municipal council decisions as provided for in the Local Authority and Local Administration Act; involving experts from civil organizations when important decisions on local issues are taken;
- improving civic control over the elected local representatives by creating legal mechanisms for their dismissal;
- improving the efficiency of the local public relations and information services.

The Annual Report of the Minister of Public Administration (www.government.bg) describes some of the specific measures taken in the struggle against corruption. The report states that during 2002, special telephones and mailing boxes were installed in 128 municipalities to enable citizens to anonymously and easily report on occasions of corruption requests by local representatives and administrators. The report also points out the low number of complaints received: 74. A possible explanation is the lack of social or cultural experience in these practices, and the relative lack of confidence of the public that their reports would be adequately and efficiently processed.

Public servants working in the municipal administration are obliged to declare their assets annually as part of the policy for income transparency, but the requirement does not apply to their closest relatives (spouses and children).

An important development in business regulation pertaining to corruption was the adoption in 2003 of the Limitation of Administrative Regulation and Control over Economic Activity Act, effective from December 2003. The goal of the act is to simplify the relationship between business and the government, including local self-government. By introducing the “silent consent” principle on the part of administration and “one-stop shopping” for the provision of administrative services to businesses, the act attempts to counteract inefficiencies in providing public services. Thirty-nine specific business activities are now subject to licensing and permission regimes, and only acts of Parliament can introduce new regimes. The act obligates Parliament to perform rigorous impact assessments of future legislation. This regulatory change, together with the continued stability of the tax regime and economic policy, should ease administrative pressures on economic activity and create a stable anti-corruption environment.

Different NGOs, including some with nationwide networks (e.g., the Foundation for Local Government Reform—FLGR, and the Center for the Study of Democracy—CSD), have developed comprehensive programs aimed at supporting local government efforts to implement anti-corruption practices and to increase the transparency of local government. Two organizations periodically perform and publish measurements of corruption in Bulgaria. The first is the local branch of Transparency International, called Transparency Without Borders, which compiles an annual Corruption Perceptions Index. The second organization is a broad coalition of Bulgarian NGOs known as Coalition 2000, which has monitored various aspects of corruption in Bulgaria since June 1998. Most of its measurements showed improvement between 1998 and 2000; the results have stabilized since then. Among the main tasks of Coalition 2000 are the dissemination of the Ethical Code of the Assembly of Regional Governments of the Council of Europe and the preparation of a draft Ethical Code for Bulgarian Municipal Councilors. There is an adopted Ethical Code of Public Servants, which has no obligatory power, but the civil servants in 227 municipal administrations are aware of it. During 2002, 315 disciplinary sanctions were imposed on staff members of municipal administrations. Some individual municipal councils have already adopted their own Ethical Codes as part of the Municipal Council Statute, thus making the code norms obligatory.

There are also instances of the introduction of the institution of municipal ombudsman, mainly on the initiative of NGOs. A Law on the Ombudsman has been adopted, leading to the appointment of a National Ombudsman in Bulgaria.

The number of media outlets alleging corruption in Bulgaria is around 500 per month, which suggests that the media do not feel too threatened to report corruption. However, the practical effect of such media reports is unclear (Freedom House 2004). Bulgarian media outlets tend to paint any suspicious story as a proven act of corruption, regardless of the facts and evidence. As a result, they are instrumental in exposing cases of corruption. Care should be taken in the reporting, however, because this may foster an exaggerated public perception of the widespread nature of the problem.

Regular opinion polls measuring the dynamics of public perceptions about the spread of corruption are published both in the daily newspapers and on specialized Internet sites (e.g., Coalition 2000 reports its survey results two or three times a year). The corruption indexes have had a steady, relatively high value during the last four years. Bulgarian public attitudes toward corruption have two levels, according to Coalition 2000. On the one hand, public intolerance for official corruption is growing. On the other hand, many Bulgarians still feel that resorting to acts of corruption is an effective way to solve problems. However, Coalition 2000 has reported a drop in the readiness of average citizens to engage in corrupt practices.

The Coalition 2000 surveys on corruption pressure (requested bribes) lists 23 professional groups, including municipal administrators and local representatives. The data show that municipal administrators are rated as more corrupt than local representatives (mayors and municipal councilors), but in general the two groups are given medium rating in the overall scale, being positioned 12th and 16th among the 23 professional groups. According to the results of the May 2003 survey, lawyers are identified as the most corrupt group and journalists the least. If we compare the results of the regular surveys from the period January 2000–May 2003 (see Table 2.32), we see that the corruption index for both groups (local representatives and municipal administrators) has been fluctuating and exhibits a slight tendency towards decreasing.

Table 2.32
Corruption Pressure by Occupational Group [%]

	May 2000	April 2000	Sept. 2000	January 2001	October 2001	January 2002	May 2002	October 2002	January 2003	May 2003
Municipal officials	11.3	11.7	10.3	11.2	11.3	10.0	5.5	10.9	4.4	8.4
Mayors and municipal councilors	6.7	5.6	3.2	2.1	1.4	2.0	2.7	5.3	3.0	4.1

SOURCE: Corruption Indexes of Coalition 2000, May 2003.

In the same survey, the respondents were also asked about their general opinion on the levels of corruption among 22 professional groups. Among those groups, local representatives were placed 14th and municipal administrators 15th. In the May 2003 survey, customs officers were assessed as the most corrupt (74.3% of the respondents considered them corrupt), while teachers rated as the least corrupt professional group (only 11.6% of those interviewed considered them corrupt).

Table 2.33
Spread of Corruption by Occupational Group (2000–2003) [%]

Relative Share of Those Who Answered, "All or Nearly All Are Involved in Corruption"									
	January 2000	April 2000	Sept. 2000	January 2001	October 2001	January 2002	May 2002	October 2002	January 2003
Mayors and municipal councilors	32.5	35.2	32.1	30.9	26.3	31.8	23.4	48.3	45.7
Municipal officials	45.0	46.5	41.6	35.9	39.6	39.4	30.0	49.1	40.9

SOURCE: Corruption Indexes of Coalition 2000, May 2003.

As seen in Table 2.33, between January 2000 and May 2003 there was a slight increase in the tendency for respondents to consider local representatives to be corrupt, while the opinion about the municipal administrators is much steadier. Perhaps because of the approaching elections, the general public was much more focused on cases of misconduct of local representatives.

4.3 Horizontal Accountability in Local Government

Municipal councils in Bulgaria elect their chair, who is responsible for the efficient functioning of plenary sessions and committee meetings. There are permanent (standing) committees, and temporary (ad hoc) ones. The committees assist the chair in preparatory work, which guarantees efficient decision-making. The committees also assist decision-making within a specific area by preparing assessments, working out common positions, or outlining alternatives. All issues decided by the municipal council have to be discussed by the committees. The committees have also controlling functions, as they monitor the implementation of council decisions. The Rules of the Procedures and Standing Orders of the council define the number and the specific profile of the committees.

Municipal councils establish committees covering the major spheres of competence of local government, in keeping with the policy priorities specific to each municipality. As a rule, bigger municipalities have more committees. The councilors are elected as members of the committees in accordance with their professional skill and experience. When necessary, a committee may invite people with expertise in an area being discussed to attend its sessions. Usually, however, members of the municipal administration can provide the needed expertise and prepare the preliminary assessments.

The mayor is not a member of the municipal council and participates in the council sessions without the right to vote. The mayor executes the decisions made by the council.

According to law the mayor has no legislative authority, but in practice the mayor and his administration initiate the majority of the council decisions.

Though the mayor is responsible for the efficient functioning of the municipal administration, the municipal secretary (appointed by the mayor) manages the administration. The municipal council decides on the structure of the municipal administration, but the law does not specify who prepares the proposal; usually the mayor does this. The Public Administration Law of 1998 has introduced some administrative requirements and standards, which have led to similar administrative structuring. This makes the coordination of public management easier, both horizontally and vertically. An amendment to the LSGLA Act is under preparation, aimed at avoiding potential conflicts between the council and the mayor, by specifying that the mayor will propose the structure of the municipal administration. Currently the council has no authority to decide on the personal appointments and dismissals of the municipal administration.

The mayor is responsible for the preparation of the draft budget; the council deliberates on and adopts the final version of the budget, which is to be implemented by the mayor. The council controls the implementation of the budget and passes the budget report.

The municipal council has overall control over the activities of the mayor. If the council decides that the mayor has acted in contradiction to the council decisions or to the adopted policy priorities, it may overrule these acts. The mayor has weak veto powers on council decisions (the mayor's veto is overruled by a simple majority). When this happens, the mayor is obliged to implement the decision of the council, but may appeal it to the court. The court is to decide only on the legality of the council decisions.

The municipal council has no administrative staff. The required administrative services are provided by the mayor's administration, including information supply. The municipal administration managed by the mayor is solely responsible for the preparation of the draft proposals to be passed by the council. Hence, the role of the administration is commensurable with the role of the council committees. The effectiveness and the efficiency of the decision-making of the municipal council depend entirely on the cooperation between the councilors and the administrative staff. In case of conflicts, decision-making is substantially impeded. When there is no stable majority in the council, the situation of non-decision in the council may diminish the mayor-council interactions and hamper the communication between the councilors and the administration. Recently, there have been some good practices that structure communication between municipal councils and the mayor's administration in a more efficient format, e.g., internal ordinances have been adopted and ISO systems introduced and maintained.

According to the 1991 legislation, municipal councils had the right to appoint their own expert groups, but due to lack of democratic tradition and experience, these appointed bodies were highly inefficient. The 1995 amendment to the LSGLA

Act abolished the competence of the municipal councils to make administrative appointments. The need for an autonomous expert unit appointed by the municipal council is now being recognized again, and with regard to the forthcoming local elections, a new amendment to the LSGLA Act is under discussion that would restore the practice of municipal councils appointing their own expert bodies.

The current Bulgarian model of distribution of competencies clearly implies a leading role for the municipal council. But established practice and the requirements for efficient decision-making procedures often lead to the mayor taking this role. The results of the two surveys confirm this tendency. Both the local representatives and the administrative officials were asked to assess the influence of different governmental and private agencies on local government decision-making. The results can be seen in Table 2.34.

Table 2.34
Perceived Influence on Municipal Decisions (7-Point Scale*)

	Less than 4,999		5,000– 9,999		10,000– 49,999		50,000– 99,999		Over 100,000		Country mean	
	CAO	Rep.	CAO	Rep.	CAO	Rep.	CAO	Rep.	CAO	Rep.	CAO	Rep.
Mayor	5.9	5.6	6.1	5.5	6.4	5.1	6.8	5.3	6.9	5.5	6.4	5.3
CAO	4.9	4.6	4.1	3.7	4.3	3.4	4.0	3.4	5.0	3.4	4.3	3.5
Civil servants	4.6	4.0	3.5	3.6	3.8	3.5	3.1	3.4	3.4	3.3	3.7	3.5
Committees	5.6	5.3	5.0	4.6	5.0	4.8	5.4	4.3	5.9	4.9	5.2	4.7
Factions	4.1	3.2	3.8	4.0	4.2	4.3	5.2	5.0	5.4	4.7	4.3	4.4
Individual councilors	3.7	5.0	3.9	4.1	3.7	4.0	3.8	3.7	4.3	4.0	3.8	4.0
Central government	3.9	3.9	4.0	4.3	4.4	4.1	4.4	4.3	5.2	4.3	4.3	4.2
Regional government	3.6	3.5	3.7	4.1	3.7	3.8	3.8	3.6	4.7	3.7	3.8	3.8
Country mean score	4.5	4.4	4.3	4.2	4.4	4.1	4.6	4.9	5.1	4.2	4.5	4.2

NOTE: * 1—very small influence; 7—very high influence.

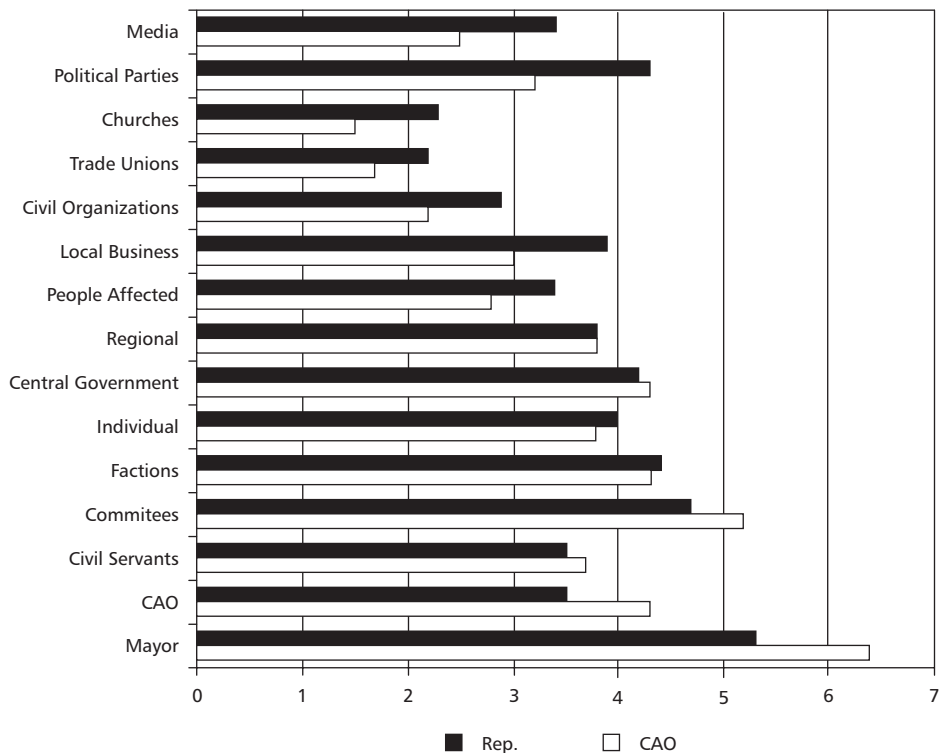
SOURCE: CAO and LRS surveys.

Table 2.34 shows the mean values of the perceived influence on decision-making of different actors and institutions of local and of central government. The two groups of respondents (chief administrative officers and local representatives) assessed the mayor and the council committees as the most influential agents. As a whole, local government institutions were assessed to have a key role in shaping local policies. The influence of party fractions and local branches of political parties was also high (see

Table 2.34 and Figure 2.1). The respondents indicated a persistent influence of central government, apparently due to the centralized fiscal system and the considerable level of state regulation in some policy areas. The results show a clear distinction between the political and the administrative bodies of local government, with civil servants and administrative officials having a smaller influence on municipal decision-making.

The influence of the other local societal actors (local business, NGOs, local media, churches, trade unions, etc.) on local policy was perceived to be low (see Figure 2.1).

Figure 2.1
Perceived Influence on Local Government (7-Point Scale)



SOURCE: CAO and LRS Surveys.

4.4 Conclusion

Achievements in Bulgaria in terms of local governments providing information to citizens have been considerable. Access to public information is guaranteed; clear and simple rules and procedures have been defined by specific legislation, as well as by municipal acts by

the majority of municipalities. The procedures are popular among citizens and stimulate regular requests for public information. There has also been considerable progress in establishing E-government at the municipal level. The majority of municipalities have developed advanced websites that are being regularly updated, although in smaller municipalities the process has been developing more slowly. Contacts with media representatives are organized regularly and a structured system for announcing the decisions of local representatives is in place. There is still inadequate transparency in decision-making on major policies and budgeting issues in the municipalities. To address some of these concerns, a mandatory public hearing of municipal budgets was introduced in 2004. Sessions of municipal councils are open to the public with no restrictions.

Corruption at the local government level is a particular problem, with certain areas being especially prone to corruption: municipal procurement; licensing of economic and trade activities; renting and tenders for reconstruction of municipal sites; and tenders for privatization of municipal property and supplying of municipal premises with fuel and consumables. A number of acts have been introduced or amended to create a more stable anti-corruption environment, including the Law on Political Parties, the Public Procurement Act, etc. However, despite some progress in this respect, there are still no efficient mechanisms and rules for holding public servants and administrative officials accountable for acts of corruption. Convictions for bribery-related cases have begun to occur, but lack of enforcement rather than low levels of bribery is probably the reason for the low numbers. The corruption index for both groups (local representatives and municipal administrators) fluctuated somewhat during 2000–2003, and exhibited a slight tendency towards decreasing. A Register of Public Procurement and Tenders, including those made by the municipalities, was established in 2000 and is updated on daily basis. The control over public procurement is centralized and carried out by the Public Internal Financial Control Agency. It is still possible to manipulate the public procurement procedures and the management of public property, despite formal compliance with legal requirements.

The current Bulgarian model of distribution of competencies clearly implies the leading role of the municipal council, but established practice and requirements for efficient decision-making procedures often result in the mayor assuming this role. The influence of party fractions and local branches of political parties is also high. The influence of the other local societal actors (local business, NGOs, local media, churches, trade unions, etc.) on local policy is perceived to be low.

Despite considerable progress in developing appropriate legal, administrative, and informational frameworks for providing a more transparent and accountable local government, a meaningful change in the system may be achieved only by having citizens more active, involved, and interested in the management of their local affairs. In this way, improving transparency and accountability is a twofold process, requiring a combined effort on the part of all stakeholders, with citizens being the major one.

5. EFFECTIVE LOCAL GOVERNMENT

5.1 Resource Control

The effective and autonomous control over resources is of key importance for the establishment of efficient local government.

The structure of the own revenues of the municipalities is given in Table 2.11. The constitutional provisions do not allow for independent management and control over the size of their own tax revenues, and allow only some control over revenues from local fees (within the limits defined by law). Before the passing of the Local Budget Law (MBL) the share of own revenues in the budget was relatively small—about 16%–18%. Since 1998, as the MBL changed both the definition of the types of revenues and broadened the sphere of the own revenues, the share of own revenues has tended to increase to levels above 60%. The limited fiscal autonomy of local governments, discussed previously in detail, is unanimously considered to be a substantial impediment to the planning and controlling capacity of local government.

The cooperation between local governments and NGOs is a widespread practice in Bulgaria. In 1996 the National Association of Municipalities in Bulgaria (NAMB)¹ was established and all municipalities are currently members. The NAMB role as legitimate representative of the municipal authorities vis-à-vis the central government institutions is legally affirmed, and it has proved to be a powerful mediator between local and central government, especially in negotiating the amount of state subsidies and in forming the part of the annual State Budget related to municipalities. The legal regulation on the interaction between NAMB and the different central government institutions needs more precision and specification in order to guarantee efficient negotiation procedures and effective partnership relations. Other important NGOs, which work exclusively within the sphere of local government, are the Foundation for Local Government Reform (FLGR), founded in 1995, and the established regional associations of municipalities. The projects and activities of the FLGR are well known among local representatives and administrative officials. Their aim is to provide information, expertise, and financial support for local government initiatives. FLGR publishes a monthly newsletter (in print and in electronic versions) on local government innovations.² There are a number of well developed local and regional NGOs. In many municipalities (Chepelare, Smolian, Kardjali, etc.) there are well functioning NGO centers that actively assist local governments in their policy implementation and in strengthening their interactions with citizen associations and local business.

The general objectives and specific tasks of municipal associations, as defined in their statutes, are aimed at providing additional management resources to its members: information services, legal assistance, and management expertise. Currently there are

twelve regional associations of municipalities. The quantitative data on the resources provided by these associations will be unreliable, as a substantial part of it is in kind (without a precise financial equivalent). The major impact of the municipal associations is the promotion of voluntary cooperation, which provides for unification and coordination of management and services, based on intensive networking.

In Bulgaria, the number of municipal administrative staff is determined on the basis of the number of inhabitants, according to a standardized ratio worked out by the central government. The municipal council considers these standards when deciding on the number of administrative staff. Only a small number of the administrative staff enjoys the status of civil servant, while the others are just municipal employees. Tables 1.34 and 1.35 show how the number of civil servants and municipal employees varies within the five groups of municipalities: the correlation between number of population and number of administrative staff is very strong.

Table 2.35
Number of Full-time Civil Servant Positions

Type of Municipality	Number of Full-time Civil Servant Positions				
	Less than 10	11–20	21–30	More than 30	Total
Less than 5,000	13	1			14
5,000–9,999	42	3			45
10,000–49,999	59	35	1	1	96
50,000–99,999	1	9	8	2	20
Over 100,000	1		4	5	10
Total	116	48	13	8	185

SOURCE: CAO survey.

Table 2.36
Total Number of Employees in Local Administration

Type of Municipality by Population	Total Number of Employees in Local Administration					
	Fewer than 25	26–50	51–100	101–150	More than 150	Total
Lower than 5,000	8	2	3			13
5,000–9,999	9	29	7			45
10,000–49,999	1	30	51	13	2	97
50,000–99,999			1	15	4	20
Over 100,000		2		1	7	10
Total	18	63	62	29	13	185

SOURCE: CAO survey.

The competencies of municipal authorities are universally defined and do not depend on the size of the municipality. All local governments are obliged to perform these general functions, but they are assisted to a different extent by the central government depending on size, geographic location, social and demographic parameters, and economic and infrastructure specificities. The quality of the services provided also differs. Smaller municipalities usually have limited resources, but there are exceptions, such as small municipalities with profitable businesses located on their territory. When state subsidies are accounted for, only eight municipalities contribute to the state budget rather than being subsidized by it. Among them are both the municipality of Sofia with a population of 1.2 million people and the municipality of Chelopech with just 1,710 inhabitants. Even some very big municipalities have more than half of their budget subsidized by the state (see 2000 UNDP Human Development Report).

The competence of the administrative staff may be assessed on the basis of the LGA survey. The number of years' experience within the municipal administration, especially of the chief administrative officers (CAOs), is usually considered to be an indicator for his or her competence. The usual practice is that each newly elected mayor dismisses all chief administrative officials (the secretary of the municipal administration and the heads of departments). Unfortunately, this practice has been reaffirmed despite the passage of the Public Service Act, which gave the CAOs the status of public servants. Despite having legal guarantees, the municipal secretaries affiliated to the previous mayor either resign or are dismissed for a variety of reasons. This means that the principles of continuity and professionalism are seriously curtailed; currently, more than 60% of the municipal secretaries have less than four years of experience in their current position (see Table 2.37). Only 13.8% of the CAOs have kept their position for more than two mandates. In eleven municipalities, there is the extreme case of people having worked as CAO even during the communist regime. The only professional requirements for the appointment of municipal secretary are educational, and even these are rather general—a university degree, with no specific preference for the type of education. The forthcoming local elections will be a genuine challenge to such practices, as these will be the first elections after the implementation of the public administration reform.

Table 2.37
Number of Years in Present Position as Chief Administrative Officer

	Frequency	Percent
Less than 4	118	62.4
5–8	34	18.0
9–12	26	13.8
More than 12	11	5.8
Total	189	100.0

SOURCE: CAO survey.

Most municipal secretaries are totally integrated into the life of their local communities, because they were either born there or have lived there for a very long (see Table 2.38). Six respondents claimed that they have never lived in the municipality where they work, but these are newly established municipalities, that have only recently acquired autonomy from a nearby big town. It can be said of CAOs in general that they are familiar with municipal problems even at the everyday level and are deeply entrenched in the local community.

Table 2.38
Length of Residence in Municipality

	Frequency	Percent	Valid Percent
Always	101	53.4	53.4
For a long time	70	37.0	37.0
For a short time	12	6.3	6.3
Never	6	3.2	3.2
Total	189	100.0	100.0

SOURCE: CAO survey.

According to a survey carried out in 2002, fewer than half of the sample of 164 municipal secretaries had no experience in the municipal administration before their appointment as CAO, while 54.7% had some experience. The same survey provided information about the education of CAOs. The greatest share of municipal secretaries (39.1%) had a general humanities education; a similar proportion of councilors (37.9%) had a degree in engineering or another technical specialty; 14.6% of the interviewed secretaries had an economic degree; fewer than 1% of the respondents (six persons) had law degrees and only two were graduates in public administration. Two-thirds declared they had no specialization or secondary qualification in the field of public administration. As a whole, the municipal secretaries seem to have a low level of specific qualification for their administrative position.

Despite their educational background, almost 70% of the municipal secretaries consider rules and procedures to be a priority in their work (see Table 2.39). Second comes the accomplishment of specific tasks; general satisfaction with the decision-making process seems to have little if any priority for the interviewed CAOs.

The chief administrators see the basis of their authority as coming from, first, promotion and increase in salary, and second, formal power and authority. Least significant was personal relations based on trust and confidence.

Table 2.39
Chief Administrative Officers' Priorities at Work

	First Priority		Second Priority		Third Priority	
	Fre- quency	[Per- cent]	Fre- quency	[Per- cent]	Fre- quency	[Per- cent]
Priority Consideration—rules	132	69.8	46	24.3	11	5.8
Priority Consideration—task accomplishment	40	21.2	97	51.3	52	27.5
Priority Consideration—general satisfaction	17	9.0	46	24.3	126	66.7
Leadership priority—motivation	78	41.3	66	34.9	45	23.8
Leadership priority—formal power	59	31.2	72	38.1	58	30.7
Leadership priority—personal relations	51	27.0	52	27.5	86	45.5

SOURCE: CAO survey.

The deficit of administrative competence is considered to be a general problem for all levels of public administration in Bulgaria, outlined in all annual reports for the accession of Bulgaria to the EU. This is a common problem for all new democracies. The building of administrative capacity is a key priority both for the legislature and the executive. However, careful monitoring shows no signs of substantial improvement in the desired direction—towards a professional, competent, politically independent, and transparent public administration.

On the whole, the perceptions of the local representatives confirm these general assessments. Table 2.40 presents municipal councilors' evaluation of the competence of the local administrative staff (1 stands for "poor" and 7 for "excellent"). The results do not correlate to the size of the municipalities, which contradicts the natural assumption that big municipalities have greater resources (human resources included). It is also important to point out that local representatives consider administrative staff members to be politically biased, which undermines the available administrative capacity and is a serious impediment in achieving the general goals of administrative reform.

Table 2.40
Councilors' Assessment of Local Administration's Competence and Partiality

Size of Municipality by Population	Partiality of Local Administration	Competence of Local Administration
Less than 4,999	3.00	3.61
5,000–9,999	3.95	4.13
10,000–49,999	3.46	3.91
50,000–99,999	3.30	3.68
Over 100,000	3.31	3.79
Total	3.49	3.88

SOURCE: LRS 2002.

5.2 Decision-making Capability

Decision-making capability provides a genuine test for the effectiveness of cooperation between the different branches of local government (the council and the mayor); between the different party fractions represented in the council; and between politicians and administrative officials.

The law requires each municipal council to hold at least six sessions per year, but the number of sessions needed for effective decision-making is much higher. As shown in Table 2.41, a clear majority of the councils (74.8%) held at least one session per month in 2003, if the holiday season is excluded. In 14.3% of municipalities, the councils held sessions more often, but in at least nineteen municipalities (10.9% of respondents) the legal requirements for at least six sessions were not met and the decision-making process was consequently blocked.

Table 2.41
Number of Assembly Sessions in Municipalities (2003)

Number of Assembly Sessions	Frequency	Percent
Less than 6	19	10.9
6–12	131	74.8
More than 12	25	14.3
Total	175	100.0

SOURCE: CAO survey.

The municipal councils are supposed to meet regularly and in accordance with a set schedule. The number (share) of extraordinary sessions is one of the indicators of inefficiency in the councils' work. During the last year there have been extraordinary sessions in more than half of the Bulgarian municipalities (120 out of the 263). In fact, the total number of extraordinary sessions is comparable to the number of regular sessions. It is normal to have one or two extraordinary sessions per year, and there are some extreme cases with more than six (reported by three CAOs in the LG survey). There is no reliable information about the cause for these unplanned sessions (we can only guess whether emergency issues or lack of quorum at the regularly scheduled sessions led to the calling of an extraordinary session). We may also presume that there is a correlation between the existence of an unstable majority in the councils which blocks the decision-making process and the other indicators of inefficiency in decision-making included in Table 2.42. Irresolvable conflicts and unproductive debates, which are time consuming, often provoke "failing quorum" as one of the main reasons for the low performance of municipal councils. Lack of quorum was cited as a cause for early dismissal of a council session by 42.9% of the local government officials interviewed.

The postponement of decisions on certain issues is another indicator for low performance of municipal councils (Table 2.42). The data show that approximately half of the municipalities (55.5%) perform very effectively, while just 7% have very low performance. The other two indicators—budget promptness and mutual trust between the mayor and the council—are consistent with this tendency. The mayors in more than one-third of municipalities enjoy a permanent consensus with the council majority; just 9.4% face irresolvable conflicts. A distinctive feature of mayor–council relations in Bulgaria is the opportunistic strategies of both parties—56.9% of the respondents indicate that the support for the mayor depends on the issue and is given ad hoc.

On the basis of the performance index, we can conclude that the inefficiency of a limited number of municipal councils (about twelve) has been so destructive that they have ceased to function as they approach the end of their election term.

Table 2.42
Indicators for Decisional Performance

	High Performance	Medium Performance	Low Performance
Quorum (N 182)	Always a quorum—55.5%		Lack of quorum—44.5%
Postponement of decisions (N 182)	Very rare or no delays—55.5%	Delays from time to time—37.4%	One or more delays per session—7.1%
Mayor–council relationship (N 181)	Supportive of each other—33.7%	Depending on the issue—56.9%	Confrontation —9.4%
Budget promptness (N 179)	Yes—90%		No—10%
Extraordinary sessions	Less than 10% or none—82%	10–20% —5.8%	More than 20% —12.2%

SOURCE: CAO survey.

One of the fundamental reasons for the low performance (delayed decisions) of the municipal councils is the general lack of information—see Table 2.43. This is symptomatic of the ineffective communication between the municipal administration and the council and in some cases may be caused by the low administrative competence of the mayors, who often set the agenda of the council meetings without proper assessment of the available information and the preparatory work done by the administration.

The other substantial reason for delay and/or postponement of decisions is the difficulty in achieving consensus among various party fractions. Given the relatively low level of bargaining skills of local representatives and the unstructured and inefficient communication among party leaders and groups, shifting majorities appear to be counterproductive in many cases.

Table 2.43
Most Frequent Reason for Delay in Council Decisions

	Frequency	Percent	Valid Percent
Lack of information	67	35.4	39.0
Lack of time	4	2.1	2.3
Obstruction	23	12.2	13.4
No agreement	46	24.3	26.7
No firm opinion	18	9.5	10.5
Other reason	14	7.4	8.1
Total	172	91.0	100.0
Missing	17	9.0	
Total	189	100.0	

SOURCE: CAO survey.

Table 2.44
Planning and Programming in Local Policy by Sector [%]

Type of Document (Program, Action Plan, or Regulation)	Exists	Does Not Exist
Work schedule for the municipal council and its committees	74.1	25.9
Long-term economic development program	87.4	12.6
Long-term program for local government investments	50.9	49.0
Public sanitation or environment protection program	73.6	26.4
Program on public education	38.1	61.9
Sports program	41.0	59.0
Cultural program	46.3	53.7
Plan for the financial supervision of local government institutions	47.7	52.3
Guidelines for CAO reports for the mayor and the councilors	21.9	78.1
Public safety and crime prevention program	69.8	30.2
Health protection program	28.9	71.1
Housing program	19.0	81.0
Program to develop mass transportation	31.8	68.2
Communication strategy	56.0	44.0
Citizens' appeals and petitions	48.9	51.1
Public procurement regulation	50.8	49.2

SOURCE: CAO survey.

The CAO interviews confirm that in all cases prescribed by the law, municipal councils have adopted detailed rules of procedures, statutes of the municipal

administration and regulations, as well as long-term economic sector programs. As seen in Table 2.44, the majority of municipalities have developed long-term economic programs, work schedules for the activities of the municipal council and its committees, public sanitation or environment protection programs, and public safety and crime prevention programs. Relatively new on the local agendas are public procurement regulations, communication strategies, and citizens' appeal and petition regulations, adopted by the majority of municipalities. In the sectors heavily regulated by central regulations (education, health care, culture, etc.), the local councils are least active. Municipality size also influences sector activities. In small municipalities it makes little sense to have a long-term program in education and school programs. Housing is the most neglected sector of local policy.

5.3 Output Control

Output control is the crucial test for government efficiency and is symptomatic of the ability of local authorities to mobilize the appropriate and available human, financial, and material resources. The key indicator in the implementation of local government projects is the correspondence between the goals and objectives on the one hand and the produced outcomes on the other. According to the CAOs' assessment (Table 2.45), local authorities in Bulgaria still need to improve their effectiveness in the implementation of their projects and to tighten control over their performance.

Cost planning is effective in one-third of the municipalities. The share of cases with bad planning is the same. Projects are completed by the deadline in half of the municipalities, while the majority of answers suggests that there are few or no difficulties with operating costs.

Table 2.45
Municipal Planning Capacity [%]

	Most of Them	Half of Them	Some of Them	Do Not Know	Total
Projected and real budget costs are similar	31.7	15.3	37.6	15.3	100.0
Projects are completed by deadline	43.9	23.8	26.5	5.8	100.0
	Great Difficulty	Little Difficulty	No Difficulty at All		
Difficult to pay for current operating costs	32.8	36.0	17.5	13.8	100.0

SOURCE: CAO survey.

Cost reviews occurred in approximately half of the municipalities (Table 2.46). Most often they dealt with contracted-out or privatized municipal property. Others tracked administration costs. Least troublesome are the services provided by the local government via independent agents and municipal firms.

Table 2.46
Cost Reviews by Sphere [%]

	Yes	No	Missing	Total
Review of administrative costs	56.6	38.6	4.8	100.0
Review of the costs of local government institution services	42.9	48.1	9.0	100.0
Review of the costs of local government services	48.7	43.9	7.4	100.0
Functions privatized or contracted out	66.7	28.6	4.8	100.0

SOURCE: CAO survey.

Bulgarian local government is highly autonomous in the area of provision of services. The process of privatization of municipal assets started in 1991, right after the passing of the new constitution. At that time there was a legislative vacuum, which allowed for a high degree of discretion. Later, with the passing of the 1996 Law on Municipal Property, the central government introduced unified procedures and specific regulations for privatization and contracting out of services. The administrative services are still exclusively within the competence of the municipal administration, while all other services (refuse collection and disposal, public transport, water supply, central heating, construction, reconstruction, and maintenance of roads and infrastructure) are provided by a variety of public and private agencies. In fact, private companies are increasingly involved in contracting out services, which are within the sole competence of municipal governments.

Privatization deals or deals for contracting out of services were finalized in 66.7% of municipalities in 2002. The local government administrators were asked to evaluate how successful the deals were, and also to what extent they have reduced the number of local government employees. As Table 2.47 shows, they rated the success factor much higher than the effectiveness in terms of reducing the number of employees. Privatization of municipal assets in Bulgaria is obviously driven by the lack of investment capacity and not by concerns over high cost of operation. Also, the assessment of success may prove to be very unrealistic. The long investment cycle usual for infrastructure projects makes it difficult to judge their efficiency during the initial stage.

The lower result for municipalities with a population of 50,000 to 100,000 reflects several controversial water deals that ended with municipalities pulling out of the privatization contracts after waves of public protests over price policy.

Table 2.47

Assessment of Outputs from Privatization and Contracting Out (7-Point Scale*)

Type of municipality	How Successful is the Privatization/Contracting Out	Effect of Privatization/contracting Out in Reducing LG Employees
Less than 5,000	5.38	3.33
5,000–9,999	3.68	2.60
10,000–49,999	4.36	3.00
50,000–99,999	3.81	3.69
Over 100,000	4.60	3.44
Total	4.26	3.07

NOTE: * 1—total failure; 7—total success.

SOURCE: CAO survey.

5.4 Conclusion

At the moment, fiscal decentralization is the main challenge for Bulgarian local self-government in its efforts to further the public administration reforms. The transfer of responsibilities and competencies has made necessary the transfer of resources to fund the new mandate, but for a variety of reasons, this crucial phase of fiscal decentralization has been slow to operate. The lack of effective and autonomous control over resources—crucial to the efficient running of local government—is considered a substantial impediment to the planning and controlling capacity of local government. The human factor is also significant in planning, allocating, and managing the otherwise scarce financial resources, as well as in the provision of public services. Yet in spite of the legal and administrative changes made, the principles of continuity of services and professionalism are seriously curtailed. There is an overall deficit of administrative competence and professionalism. The many capacity building programs notwithstanding, monitoring has not yet shown much progress towards the goal of a professional, competent, politically independent, and transparent public administration. The decision-making capacity of local governments is undermined by the frequently opportunistic character of mayor–council relations, insufficient information, the poor administration skills of some mayors, and the lack of bargaining skills of the various party fractions that makes a consensus difficult to reach. Following the October 2003 local elections, the composition of local governments shows a diversity of parties and coalition patterns that will challenge their decision-making capacity. It remains to be seen whether pressure from the EU accession requirements for decentralization, and the declared political will of the Bulgarian government to implement effective and autonomous control of resources by local governments, will be sufficiently strong influences to move the agenda of change along.

6. LOCAL ELECTIONS AND REFERENDA

Local elections have been held four times since the collapse of the communist regime in 1989. The first multi-party local elections occurred in October 1991, scheduled simultaneously with the second democratic parliamentary elections. The government appointed temporary mayors for the interim period between the first democratic general elections of June 1990 and October 1991. The parties receiving the majority of votes in a municipality nominated the interim mayor. Democratization of local politics was somewhat delayed, however, as it was totally overwhelmed by a national transitional agenda focused on democratic institution building, the introduction of market rules, restitution, privatization, and other policy issues. Local democracy was not a priority in the complicated transformation and reconstruction of society.

Since the first local election in 1991 was held simultaneously with the general elections, the results showed a similar pattern. The national party preference pattern registered in the parliamentary elections in December 1994 was still very much dominant in the October 1995 local vote. In fact, signs of the independence of local politics from the national agenda only occurred in 1999. The trend towards divergence has several components:

1. the number of registered parties was twice as high as in the preceding national elections;
2. the tactic of building coalitions of local party branches did not come from a national directive; in fact, coalitions were formed across the left–right spectrum that were considered “unacceptable” at the national level; and
3. the average number of parties participating in local elections jumped from 3.44 in 1995 to 5.17 in 1999. In the 1999 local elections, voters had on average at least two additional party or coalition choices compared to the previous parliamentary vote in 1997.

Table 2.48 illustrates that fragmentation of the party system at the local level is much stronger than the somewhat unclear dynamics in the parliamentary elections.

Table 2.48

Number of Electoral Parties in Parliamentary and Local Elections (1991–2001)

Election Year	1991	1994	1995	1997	1999	2001
Parliamentary	4.18	3.85		2.99		3.93
Local	2.75		3.44		5.17	

SOURCE: Electoral Office.

The national party system is not uniform across the country. In municipalities with a Turkish minority population represented by the Movement for Rights and Freedoms (MRF) and in rural communities politically dominated by the Bulgarian Socialist Party (BSP), the number of parties participating in local elections is much lower than the national average. In a number of municipalities with a mixed population and weak support for the left parties, the vote is so fragmented that the national party system might be considered not applicable to the local conditions. The 2003 local elections clearly showed the separation of local politics from the national political agenda. There was an extremely large number of candidates for mayor, and a great variety of political party representatives ended up in the present municipal councils.

6.1 The Electoral System

Since 1999, the following positions are contested in popular elections: member of municipal council, mayor of the municipality, and mayor of the mayoralty (a settlement or a village with population above 500). The municipal council elects lieutenant mayors for settlements smaller than mayoralty. In 1995, ward mayors and ward councilors were also directly elected. The 1999 revision to the legal framework included the following changes:

1. The number of municipal councilors was reduced by one-third (from 7,029 to 5,252).
2. Indirect elections were introduced. Prior to 1999 each mayoralty (a village or a settlement) elected a mayor by popular vote. With the new definition of mayoralty, this status was given to settlements with populations over 500. For smaller settlements the institution of lieutenant mayor was created and they were to be elected by the municipal council by a simple majority.
3. The same indirect election procedure was to apply to the 35 ward mayors in the cities of Sofia, Plovdiv, and Varna; previously they were directly elected.
4. Previously existing ward councils were abolished, as bodies that lack practical functions.

A pure proportional electoral formula is applied in the elections for municipal council (and in the 1991 and 1995 ward councils). Every municipality is a separate multimember district. D'Hondt divisors are applied to the total number of votes received by registered lists. There are no thresholds except for the barriers built into the size of the multimember district, i.e., the number of municipal council members. Within such a formula, the actual threshold depends on the number of registered lists and on the distribution of votes. Ex post analysis of election results suggests that in rare cases

the actual threshold may reach levels over 7% in municipalities with eleven to thirteen council members, while in the cases of seventeen to twenty-one council members it is usually lower than the 4% threshold applied in parliamentary elections. For the councils comprised of 29 members and over, the actual thresholds are around 2%.

Table 2.49
Positions Contested in Local Elections (1995–1999)

Election Year	Municipal Councilors	Municipal Mayors	Mayoralty Mayor	Ward Councilor	Ward Mayor	Total Number of Elected Representatives
1995	7,029	255	3,739	461	35	11,519
1999	2,525	262	1,695	Abolished	Elected by municipal council	4,982

SOURCE: Electoral Office.

A majority run-off election formula is used in all types of mayoral elections. Unless a candidate has received a majority of valid votes, the two candidates with the most votes from the first round participate in a run-off competition. Pre-term elections are held in case a position becomes vacant.

Registration for local elections consists of two steps. Parties register at the Central Election Commission (CEC), certifying their legal status at the moment of application. In the last elections, 96 parties applied to the CEC and all of them were registered. A certified party applies at every municipal election commission (MEC) where it chooses to stand in the elections. Of the 96 CEC-certified parties, 93 applied to at least MEC for participation in the council member elections, while 84 participated at least in one mayoral election.

Coalition registration rules are extremely permissive. A certified party may establish one municipal coalition for the proportional council member elections and another for the majority mayor elections. There is one common sense restriction—a party may not enter two different coalitions or support two different candidates in one election. Over 250 different local (municipal) coalitions have been registered for the proportional vote and 190 for the majority vote.

Independent candidates are registered at the Municipal Election Commission upon presentation of a petition with support signatures. The number of required signatures depends on the population figures. A higher share of independent candidates among municipal mayor candidates (14% of all registered) is a product of the specific party election tactics. To broaden their appeal to voters beyond traditional party supporters, candidates register as independents running with the support of one of the established parties. The voter–representative ratio has never been an issue in local politics. In the

smallest municipality of Chavdar, 1,148 voters elect eleven representatives, while in Sofia 1.1 million voters are represented by 61 councilors.

There is a recurring debate on how many representatives should be elected in a municipality. Throughout the 1990s, the clear trend was towards reducing the number of representatives, while seeking a format for a municipal council that would function in a more effective way. Fragmentation is another clear trend, i.e., the splitting of one municipality into several smaller ones based on existing communities and the local sense of separate identity. Since 1990, thirteen new municipalities have been established, bringing the total number to 263.

The other hot issue is the status of the mayoralty. The sharp reduction in the number of popularly elected mayoralty mayors in 1999 has been perceived as an attempt of the (then) dominant coalition, the UDF, to narrow the electoral base of its main rival, the BSP and the smaller and fragmented Agrarian Union. The same argument developed concerning ward councils and ward mayors.

Although the election results are usually widely accepted, some dozen cases are appealed to the regional courts after each election. There were seven appeals after the 1995 elections, three of which were annulled on the grounds of a technical breach of the election law. New elections were held in those cases. In 1999, no annulments occurred in the twelve appeal cases.

Bulgarian voting procedures are based on a separate ready-made party ballot for each vote cast. No voting is possible prior to election day or outside the polling stations. All the party ballots are placed behind the booth; the voter picks one, places it in an official envelope, and delivers the vote to the box. The fact that voters are not required to mark the ballot and the practice of presenting ready-made lists have provoked frequent proposals to introduce a preferential vote or a variety of mixed electoral systems. However, when the mayor ballot used in 1999 contained the names of all participating candidates and voters were asked to mark their choice, the share of invalid votes tripled from 3–5% to 10–15%. Electoral reform is again being debated. A new comprehensive electoral code has been drafted and submitted to the parliament. For the parliamentary election, the code proposes the introduction of the German-style mixed proportional system. For the local vote, the proposal is to elect councilors in smaller (four member) districts with preferential choice for up to four candidates.

6.2 The Electoral Process

Voters enjoy a broad range of choices in the municipal elections, with an average of 5.9 candidates per municipal mayor seat and 6.0 candidates per councilor seat. The choice is somewhat more limited in mayoralty mayor elections: 39 candidates per seat.

Table 2.50
Registration of Lists and Candidates in Local Elections (1999)

Elections of:	262 Municipal Councils	262 Municipal Mayors	1,695 Mayoralty Mayors
Number of registered lists	2,918		
Number of candidates	30,972 including 267 independent candidates	1,574 including 221 independent candidates	6,596 including 849 independent candidates
Average number of candidates per seat	5.9	6.0	3.9

SOURCE: Electoral Office.

In the mayoralty mayor elections, 38 seats (2.2% of the total) were won by acclamation. Elections with more than seven candidates were also a relatively small share (5.5%).

The municipal mayor elections had ten instances (3.7%) with only two registered candidates, while at the opposite end, ten or more candidates were registered in 22 municipalities (7.5%) of the cases.

The election of local councilors is by far the most open competition. In fourteen council elections (5.5%), there were three or four registered lists. This is similar to the share of elections having 22 or more registered lists. In some, there were as many as 43 lists!

Table 2.51
Citizen Participation in Election Campaigns

	Frequency	Percent
Fewer than ten	156	16.0
11–20	154	15.8
21–50	188	19.3
51–100	96	9.8
More than 100	298	30.5
Total	892	91.4

SOURCE: LRS 2002.

The extent of citizens' participation in local election campaigns, measured by number of volunteers, depends on the size of the municipality, i.e., number of voters and the size of the political party or coalition that respondents refer to in their answers. The election rules based on fixed list proportional representation exclude the influence of personality in the campaign, except for the leading name on the list in some cases.

The election law guarantees equal access of registered candidates to local media. No major complaints concerning access have been lodged, either to the election administration or to local courts. Tough competition between local media within very small markets forces them to be as interesting as possible. Election campaigns unquestionably provide a lot of attractive topics for coverage.

6.3 Electoral Results and Turnout

6.3.1 Electoral Results

In the October 1991 elections, party preferences in the local and general elections nearly overlapped. The UDF gained a majority in the eight largest urban centers, while the BSP was dominant in smaller municipalities and in the rural areas. In medium sized municipalities (with populations between 20,000 and 100,000) the vote was split, with a considerable share of the votes going to the third party (BANU) lists. The MRF won in all (30) municipalities having a majority Turkish population.

In the early 1990s, left-right party preferences followed the deeply rooted divisions of the center-periphery cleavage. In the rural municipalities, the incumbent socialist local elites retained control and support, challenged by the MRF and the BANU. In all but one of the municipalities with a population over 100,000, the UDF established a majority.

In the 1995 local election, the BSP recovered much of its losses in the previous elections. Tables 1.52 and 1.53 illustrate the socialist dominance in all types municipalities except for the three largest cities—Sofia, Plovdiv, and Varna. The elections were held ten months after the BSP had gained a similar absolute parliamentary majority in the pre-term general elections of 1994.

The parties represented in Parliament (the BSP, the UDF, the PU, the MRF, and the BBB) gained 88.6% (6,214 seats out of 7,029) of the council seats. The two main parties (the BSP and the UDF) had 66.6%. Independents accounted for 1.6% (114) of the elected councilors and the rest of the seats went to smaller parties or local lists (9.8% or 701 seats).

Socialist party candidates were also victorious in two-thirds of the elections for municipal mayor. The MRF gained similar support as in previous elections and confirmed its control over the municipalities with a majority Turkish population.

Table 2.52
Party Seats in Municipal Councils by Type of Municipality (1995)

Type of Municipality	BSP	UDF	PU	MRF	BBB	DAR	Independent	BSDP	BANUNP	Others	BCP	New Choice	Total
< 5,000	145	44	41	7	3	5	2	—	—	2	2	2	253
< 10,000	560	198	111	85	30	24	28	27	1	24	13	1	1,102
< 20,000	886	358	186	225	65	46	51	40	3	55	22	13	1,950
< 30,000	439	168	97	118	27	31	16	10	1	32	12	6	957
< 50,000	458	163	96	161	30	22	6	32	3	28	14	1	1,014
< 100,000	511	239	80	57	40	25	9	32	2	65	15	5	1,080
> 100,000	276	186	31	13	33	11	2	12	1	35	11	1	612
Capital Sofia	23	31	5	—	1	—	—	—	—	—	1	—	61
Total	3,298	1,387	647	666	229	164	114	153	11	241	90	29	7,029

SOURCE: M. Stefanova 2003.

Table 2.53
Party Seats in Municipal Councils by Type of Municipality (1995) [%]

Type of Municipality	BSP	UDF	PU	MRF	BBB	DAR	Independent	BSDP	BANUNP	Others	BCP	New Choice	Total
< 5,000	57.3	17.4	16.2	2.8	1.2	2.0	0.8	0.0	0.0	0.8	0.8	0.8	100.0
< 10,000	50.8	18.0	10.1	7.7	2.7	2.1	2.5	2.4	0.09	2.1	1.2	0.09	100.0
< 20,000	45.4	18.4	9.5	11.5	3.3	2.3	2.6	2.0	0.1	2.8	1.1	0.6	100.0
< 30,000	45.9	17.5	10.1	12.3	2.8	3.2	1.7	1.0	0.1	3.3	1.2	0.6	100.0
< 50,000	45.2	16.1	9.5	15.9	2.9	2.2	0.6	3.1	0.3	2.8	1.4	0.09	100.0
< 100,000	47.3	22.1	7.4	5.3	3.7	2.3	0.8	2.9	0.2	6.0	1.4	0.5	100.0
> 100,000	45.1	30.4	5.06	2.1	5.4	1.8	0.3	1.96	0.2	5.7	1.8	0.2	100.0
Capital Sofia	37.7	50.8	8.3	—	1.6	—	—	—	—	—	1.6	—	100.0
Total	46.9	19.7	9.2	9.5	3.25	2.3	1.6	2.2	0.2	3.4	1.3	0.4	100.0

SOURCE: M. Stefanova 2003.

Table 2.54
Party Seats in Municipal Councils by Type of Municipality (1999)

Type of Municipality by Size of Population	BSP	BEL	MRF	BBB	BSDP	Independents	FB	NMRF	BANU	IMRO	PU	UDF	Others	Total
< 5,000	109	19	5	5	4	9	—	—	10	2	25	87	22	297
< 10,000	264	39	73	19	9	29	13	25	19	13	24	204	75	806
< 20,000	371	77	164	15	21	43	26	31	43	24	47	382	99	1,343
< 30,000	201	46	94	13	9	22	16	11	20	15	27	186	54	714
< 50,000	243	35	89	13	17	13	11	13	12	13	33	226	65	783
< 75,000	109	15	22	4	16	7	3	3	5	5	10	134	30	363
< 100,000	117	7	23	7	10	2	4	1	—	12	1	120	29	333
< 160,000	73	22	8	5	5	3	4	1	4	4	—	88	29	246
> 160,000	91	10	3	7	—	5	4	1	2	9	2	130	42	306
Capital Sofia	14	2	—	—	—	—	—	—	—	—	—	38	7	61
Total	1,592	272	481	88	91	133	81	86	115	97	169	1,595	452	5,252

SOURCE: M. Stefanova 2003.

Table 2.55
Party Seats in Municipal Councils by Type of Municipality (1999) [%]

Type of Municipality by Size of Population	BSP	BEL	MRF	BBB	BSDP	Independent	FB	NMRF	BANU	IMRO	PU	UDF	Others	Total
< 5,000	2.1	0.4	0.1	0.1	0.1	0.2	—	—	0.2	0.1	0.5	1.6	0.4	5.6
< 10,000	5.0	0.7	1.4	0.4	0.2	0.5	0.1	0.4	0.3	0.2	0.4	3.9	1.4	15.3
< 20,000	7.1	1.4	3.2	0.2	0.4	0.8	0.5	0.5	0.8	0.5	0.8	7.3	1.9	25.6
< 30,000	3.8	0.8	1.7	0.3	0.2	0.4	0.3	0.2	0.4	0.3	0.5	3.6	1.1	13.6
< 50,000	4.6	0.7	1.7	0.3	0.3	0.2	0.2	0.1	0.2	0.2	0.6	4.3	1.3	14.9
< 75,000	2.1	0.3	0.4	0.1	0.3	0.1	0.1	0.1	0.1	0.1	0.2	2.5	0.6	6.9
< 100,000	2.2	0.2	0.4	0.1	0.2	0.1	0.1	0.1	—	0.2	0.1	2.3	0.5	6.4
< 160,000	1.4	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	—	1.7	0.5	4.7
> 160,000	1.7	0.2	0.1	0.1	—	0.1	0.1	0.1	0.1	0.2	0.1	2.5	0.8	5.8
Capital Sofia	0.3	0.1	—	—	—	—	—	—	—	—	—	0.7	0.1	1.2
Total	30.3	5.2	9.1	1.7	1.8	2.5	1.5	1.6	2.2	1.9	3.2	30.4	8.6	100.0

SOURCE: M. Stefanova 2003.

The 1999 local election results were somewhat surprising and indicated a diminishing importance of the center–periphery cleavage. The UDF and the BSP achieved similar results in all but one class of municipalities. The UDF retained its majority in Sofia and Plovdiv, but in the next eight municipalities by size, no majority emerged. Councilors elected from small parties or local lists thus achieved an important position. In addition, in six of those eight municipal centers, socialist or nominally independent but socialist-supported candidates were elected mayor. However, for the first time in over 30 municipalities, the council majority was other than socialist and/or the elected mayor was not socialist or a socialist-supported candidate. The variety of local lists proved to be as popular as the traditional parties. Some of those may foreshadow the debut of a political platform with possible long-term effects, e.g., the Roma party named Free Bulgaria. Others were just as exotic—the list of a football club, that fans named the Green Party of Bulgaria, came in third with over 11,000 votes in the municipality of Bourgas.

Parties represented in the Parliament (the BSP, the UDF, the MRF, the PU, and the BBB) took 79.9% of the councilor seats (4,197 of a total of 5,252), indicating a slight decrease of support compared to 88.6% in the previous local elections. Further, the share of the two principle protagonists, the BSP and the UDF, also dropped to 60% from their previous 66%. The support for independent candidates marginally increased from 1.6% to 2.5% (133 seats), while smaller and local lists nearly doubled their share to 17.6% (922 seats) from previous the 9.8%.

Table 2.56
Election Results for Municipal Mayors by Party (1999)

Type of Municipality	BSP	BEL	MRF	Independent	BANU	NU	UDF	Others	Total
< 5,000	11	3	—	1	2	3	4	3	27
< 10,000	19	—	7	10	3	1	20	2	62
< 20,000	21	4	10	9	3	2	26	4	79
< 30,000	6	—	3	8	—	3	10	4	34
< 50,000	8	1	3	4	—	1	8	2	27
< 75,000	4	2	—	2	—	—	3	—	11

SOURCE: M. Stefanova 2003

Only one municipal mayor, Veselin Uzunov from Razgrad, has had enduring enough support to be elected in three consecutive elections. In half of the mayoral elections in 1999, the candidates nominated by the incumbent majority party or coalition lost the race.

Table 2.57
Election Results for Municipal Mayors by Party (1999) [%]

Type of Municipality	BSP	BEL	MRF	Independent	BANU	NU	UDF	Others	TOTAL
< 5,000	4.3	1.2	—	0.4	0.7	1.1	1.5	1.1	10.3
< 10,000	7.3	—	2.6	3.8	1.2	0.4	7.6	0.7	23.6
< 20,000	8.0	1.6	3.9	3.4	1.2	0.7	9.9	1.4	30.1
< 30,000	2.3	—	1.1	3.0	—	1.2	3.8	1.6	13.0
< 50,000	3.0	0.3	1.1	1.6	—	0.3	3.0	1.0	10.3
< 75,000	1.5	0.7	—	0.8	—	—	1.3	—	4.3
< 100,000	1.9	—	—	0.8	—	—	0.7	—	3.4
< 160,000	0.8	0.3	—	—	—	—	1.2	—	2.3
> 160,000	—	—	—	1.6	—	—	0.7	—	2.3
Capital Sofia	—	—	—	—	—	—	0.4	—	0.4
Total	29.1	4.1	8.7	15.4	3.0	3.8	30.1	5.8	100.0

SOURCE: M. Stefanova 2003.

In order to broaden their appeal, many mayoral candidates choose to register in the elections as independents. Of the 40 municipal mayors who were elected on an independent platform, only two ran against candidates from the two main parties. The others relied on support from one of those parties, which did not register candidates.

In 2001, the former King Simeon the II unexpectedly registered in the general elections as the National Movement, only 63 days before election day. The movement succeeded in winning a majority with 120 of the 240 parliamentary seats (see Table 2.58). The persistent center–periphery cleavage was swept aside by personal charisma and a skillful, populist program based on the Berlusconi model.

Public approval of and trust in the government slipped to lows reaching 15% after 2001. In the local elections of 2003, support for the Movement fell to 10% from 43% in 2001. The Bulgarian Socialist Party won 33% of the vote in the country's 263 municipalities. The UDF won 21% and the Movement for Rights and Freedoms 10%. A total of 147 political parties and coalitions registered to run.

One of the distinctions of the 2003 local elections was the extremely large number of candidates for mayor and the intense competition among them. The average number of municipal mayoral candidates nationally was 8.5, while 8.7 candidates on average ran for each municipal councilor position. The biggest cities had the greatest number of municipal councilor ballots. Seventy-four mayors of municipalities were elected in the first round of the local elections, while the remaining 189 were elected in runoffs. Women were elected in 23 municipalities (8.75% of all mayors), up from fourteen prior

to the elections. A total of 119 mayors of municipalities (45.22%) were reelected in these elections. The total number of mayors of mayoralties elected was 2,545, and the total number of municipal councilors in Bulgaria was 5,281. Bulgarian municipal councils are now characterized by a great diversity of political party representatives.

Table 2.58
General Election Results by Political Party (1990–2001) [%]

		June 10, 1990	Oct. 13, 1991	Dec. 18, 1994	April 19, 1997	June 19, 2001
	Valid votes	87.8	81.6	74.3	61.5	66.4
	Invalid votes	3.0	1.9	0.9	1.1	0.6
	Total votes	90.8	83.5	75.2	62.6	67.0
<i>Political parties:</i>						
1	Coalition for Bulgaria—Bulgarian Socialist Party	47.2	33.1	43.5	22.5	17.1
2	Union of Democratic Forces	36.2	34.4	24.2	53.2	18.2
3	Bulgarian Agrarian National Union	8.0	3.9	6.5	—	—
4	Movement for Rights and Freedoms	6.0	7.5	5.4	—	7.5
5	Fatherland Party of Labour	0.6	0.3	—	—	0.0
6	Bulgarian Agrarian National Union (Nikola Petkov)	—	3.4	—	—	—
7	Union of Democratic Forces (Center)	—	3.2	—	—	—
8	Union of Democratic Forces (Liberal)	—	2.8	—	—	—
9	Kingdom of Bulgaria Confederation	—	1.8	1.4	—	—
10	Bulgarian Business Bloc	—	1.3	4.7	5.0	0.0
11	Bulgarian National Radical Party	0.1	1.1	0.5	0.2	0.1
12	Democratic Alternative for the Republic	—	—	1.9	—	—
13	Bulgarian Communist Party	—	0.7	1.5	1.2	—
14	New Choice Alliance	—	—	1.5	—	—
15	Patriotic Union	—	—	1.4	—	—
16	Alliance for National Salvation	—	—	—	7.7	—
17	Euroleft	—	—	—	5.6	1.0
18	Union for the King	—	—	—	1.1	—
19	National Movement Simeon the Second	—	—	—	—	42.7
20	“Simeon II” Coalition	—	—	—	—	3.4
21	National Union for Tzar Simeon II	—	—	—	—	1.7
	Others	1.9	6.4	7.4	3.5	8.3
	Total	100.0	100.0	100.0	100.0	100.0

SOURCE: *Elections and Parties in New European Democracies*, Rose and Munro 2003.

6.3.2 Election Turnout

Election turnouts have been steadily declining since 1990, except for the 2001 parliamentary elections where the turnout was higher than in 1997. Table 2.59 illustrates the general trend to lower participation.

Table 2.59

Total Number of Voters in Millions and Percentage Turnout in Elections (1991–2001)

Election Year	1991	1992	1994	1995	1996	1997	1999	2001	2001
Parliamentary	5.699		5.261			4.291		4.568	
	83.9%		75.2%			62.9%		66.1%	
Local	5.650			3.933			3.558		
	83.2%			57.7%			51.6%		
Presidential		5.206			4.317				3.775
		75.9%			63.1%				55.1%

SOURCE: Electoral Office.

This rather sharp decline in voter turnout reflects both a decline in population (from 8.9 to 7.9 million for the last twelve years, of which an estimated 0.6 million is due to emigration) and rising alienation from politics.

Since the number of registered voters has not followed this trend—rising slightly from 6,790 million in 1991 to 6,916 million in 2001, the official figures concerning proportions are considered the least reliable of the election statistics. Though participation rates are bitterly discussed among experts, there is general agreement that local elections attract fewer voters than the parliamentary ones, which have levels close to the presidential elections.

Turnouts in local elections depend on the size of the municipality. In the largest urban centers, turnouts in local elections are far beneath the levels registered at the preceding parliamentary elections, while in the small (and peripheral) municipalities, turnouts are either about the same or higher. The higher motivation to vote in small municipalities is linked to two factors. First, there are far fewer voters per candidate—in the smallest municipalities one councilor is elected with 60 to 70 valid votes, while in Sofia the number is between 5,000 and 7,000. Second, there is a sensitivity to small group solidarity regarding the choices to be made in the additional mayoralty mayor elections. Young voters in urban centers are especially indifferent to local elections. In campus precincts, the usual turnouts sink to single digit figures.

Nationwide, the turnout in the 1999 local elections was 83% of the 1997 parliamentary election turnout. Table 2.60 illustrates high and low turnouts in samples of peripheral versus urban municipalities.

Table 2.60

Turnouts in the 1999 Local Elections Compared to the 1997 Parliamentary Elections

Sample of Peripheral Municipalities	Number of Votes 1997	Number of Votes 1999	Increase from 1997 to 1999 [%]
Belitsa	4,971	6,201	125
Garmen	6,364	7,807	123
Satovcha	7,390	10,201	138
Kresna	3,258	4,124	127
Sofia	69,5521	413,016	59
Plovdiv	201,803	105,713	52
Varna	184,665	101,040	55
Burgas	120,741	87,211	72

SOURCE: Electoral Office.

The election turnout in the 2003 local elections marked the lowest result since the beginning of the transition—47% in the first round and 50% in the second round. This raises serious concerns about citizen support and involvement in local politics. However, as the first elections in recent Bulgarian history to be conducted without international observers, they are evidence of Bulgaria's success in establishing and maintaining a tradition of free and fair elections.

6.4 Local Referenda

The Law on Referenda (1996) regulates all application of direct democracy to national and local issues as well as procedural and technical rules related to holding a referendum. Any of the existing communities—municipality, ward, mayoralty, or settlement—may take a decision by referendum on questions of local importance that are within the authority of the local council.

The holding of a referendum is a binding aspect of the procedure for establishing a new municipality. The government can establish a new municipality only upon the positive outcome of a popular vote on the matter.

Certain issues are excluded as subjects of referenda. Questions related to local taxes, local budgets, or agreements with financial institutions (including loans), cannot be put on the ballot. Matters that are subject to direct democracy include concessions, privatization and leasing of municipal property, as well as construction and infrastructure projects of importance for the community, when investments exceed usual local revenues. A referendum may be initiated by one-fourth of the voters, one-fourth of council

members, the municipal mayor, or the regional governor, who submit a request to the local council. A valid decision for the holding of a referendum requires support by more than half of the council members, and only a petition supported by half of the voters in a community is binding for the local council, which then sets only the date of the ballot. On issues related to municipal boundaries, a petition of one-fourth of the voters is binding for the council if the regional governor supports it. A referendum is valid if more than half of the voters participate and half of them have supported the proposition on the ballot. The outcome is binding for the local council, which should then take measures to implement the decision.

Because of the high threshold barriers, the absence of a tradition of referenda, and the quality of representative channels, referenda are not practiced except for cases related to the change or establishment of municipal boundaries. A variety of NGOs have attempted to provoke a local vote with limited success. In March 2003, the Swiss Fund for Development offered financial support to local NGOs in their efforts to organize referenda on local issues in the municipalities of Elena and Sevlievo. One issue involved establishing a pedestrian area in the Sevlievo town center and the other was about whether to turn a municipal building into a library. Both of these efforts to motivate citizens to get involved in community issues failed. The turnout in both cases was about 7%.

6.5 Conclusion

Ever since the first democratic, multi-party local elections of October 1991, Bulgaria has conducted free and fair local elections. The legal and administrative framework allows for effective democratic participation of citizens in local politics, by controlling or providing feedback to their representatives. The severing of local politics from the national political agenda was somewhat delayed and occurred in the 1999 elections. A large number of diverse electoral parties was registered and new coalition tactics of local party branches emerged, driven by local partnerships rather than directives from national offices. The trend of party fragmentation, the expanding role of independent candidates, and the divergent pattern of participation in urban and peripheral municipalities was tested in the 2003 local elections. These elections featured an extremely large number of candidates for mayor, intense competition, and the greatest diversity of political party representatives ever in the municipal councils. Election turnouts registered a considerable decline, reflecting both a strong negative demographic trend and rising alienation from politics. The general lack of interest in municipal affairs is also reflected in the low election turnout. Thus, the 2003 local elections marked the lowest turnout since the beginning of the transition—47% in the first round and 50% in the second round. Local referenda as a form of direct participation of citizens in local public affairs

have been initiated in only a few cases and with rather limited success. They are subject to the same range of problems as local elections and, in addition, a lack of relevant tradition and certain institutional obstacles.

7. LOCAL PARTIES AND FACTIONS

The 2001 country report of Freedom House states: “After a series of false starts, and having paid a high price in human suffering, Bulgaria has been transformed into a stable, multiparty democracy with a functioning parliament, a high degree of transparency, and a vibrant civil society.”

Since the beginning of the transition, Bulgaria has provided a clear and convincing example of a constructive, democratic form of political decision-making. It stands alone in the post-communist world as the only country to have had, for most of the period since 1989, a classical two-party system with a left–right divide (Dainov 2002). Until 2001, Bulgarian politics was dominated on the right by the Union of Democratic Forces (UDF), established at the end of 1989, and on the left by the Bulgarian Socialist Party (BSP), established in 1990 as heir to the former Communist Party. The two parties have taken successive turns in government following the first democratic elections of June 1990. The BSP has won elections and formed governments twice (1990 and 1994), as has the UDF (1991 and 1997). Both parties are well situated in the international fora: the UDF is a full member of the European People’s Party and the BSP joined the Socialist International in 2003.

With the development of political debate since 1990, however, the political spectrum has changed. The two major parties appear to have lost some of their political supporters. Compared to the late 1990s, when the core supporters of the two major parties together constituted half of the adult population of the country, in the 1999 municipal elections their support fell to one-third of the votes cast. The same thing occurred in the 2001 parliamentary elections. Among the variety of reasons for this drop in support, some deserve particular notice. Following the development of political discourse after 1996–97, the majority of the public has come out decisively in favor of the agenda traditionally upheld by the UDF: a free market economy, democracy, and membership in NATO and the EU. The BSP has not managed to formulate an alternative political agenda, so the challenge of the Left has been removed. As commentators have noted, “the foundations of the two-party system have weakened” (Dainov 2002). As the strategic orientation of the country has become clearer, the focus of political discourse has shifted. The traditional fight over the content and essence of politics and the orientation of the country has been replaced by a new political debate focused on a different set of issues, such as the transparency and accountability of government, anti-corruption measures and so forth.

With the loosening up of the rigid two-party system, some of the smaller parties have disappeared from the political scene, while new ones have begun to play an important role. The non-political mass unity movement, the National Movement Simeon II, headed by the exiled former king Simeon Saxe-Coburg Gotha, was swept into power with the wave of mass disappointment in mainstream political parties, and largely by the appeal of populist political promises. It was consolidated into a political party in 2003, and its very entry into government has erased its initial declarations that the movement would stay above the “old-style left–right divide.” The government of 2001 was inevitably situated at the center-right of the political spectrum, as it followed the political goals already formulated by the outgoing UDF government (Dainov 2002). These included completing the transition to a free market system, membership in the EU and NATO, completing privatization and restructuring of the economy, attracting foreign investment, etc. The firm foreign policy maintained by the new government of Simeon Saxe-Coburg Gotha, that chose to side with NATO in the fight against terrorism, coincides with the strategic line drawn by the former UDF cabinet.

The Movement for Rights and Freedoms (MRF), representing the ethnic Turks, has had increasing influence. In Bulgarian political life the MRF has established itself as a powerful balancing factor and has always managed to get an adequate representation in the Bulgarian Parliament (approximately 6% to 8% of the seats). In 1991–92 and in 2001 the MRF was pivotal to the construction of majorities in the government and thus became a coalition partner with a massive representation at senior levels of government. In 1993–94 the MRF also managed to form a government on its own “mandate.” The party is well established at the local level, especially in specific areas that are largely populated with ethnic Turks. In terms of mainstream politics, the MRF has a liberal profile and is affiliated with the Liberal International. The party’s leadership has demonstrated a firm commitment to the constitutional foundations of the Bulgarian political system and has never encouraged radical demands for collective minority rights. Political integration of the ethnic Turks, the largest minority group, in Bulgarian political life is further evidence of the stability and predictability of the Bulgarian political system. Markedly different from other Balkan countries, Bulgaria has never allowed the birth of extreme nationalist or xenophobic political parties or movements, but has encouraged adequate representation of minority interests according to the established rule of law and principles of democracy.

Compared to the political representation of ethnic Turks, the Roma minority (about half the size of the Turkish ethnic minority) has not yet succeeded in making an impact on the Bulgarian political scene. The National Statistical Institute reported 9.5% ethnic Turks compared to 4.6% Roma in 2001. Notwithstanding their success in the 1999 municipal elections, in the parliamentary elections of 2001 the Roma parties did not manage to pass the 4% election threshold.

In 2003-04, the center-right wing of the political spectrum was joined by a new party, the Democrats for a Strong Bulgaria (DSB), established by former UDF leaders under the former premier, Ivan Kostov. Following their success in the municipal elections of 2003, the Union of Free Democrats, headed by the Mayor of Sofia- Stefan Sofiansk, increased its influence.

The overall resilience of the established political patterns seems clear, given these developments. One can expect that the center-right will no longer be dominated by the UDF, but by a larger number of political parties following the same political goals, which mainly are: accession to the EU, completion of the reforms, and the attraction of foreign investment. The BSP continues to occupy the political left, and the MRF has yet to play its crucial balancing role. Political debate will focus on how to achieve the set political goals—transparency, accountability, the fight against corruption, an appropriate scale of reforms, etc. This political profile suggests that Bulgaria continues to be a predictable and stable political subject.

Political parties do play an important role in local politics through their local branches. Furthermore, some branches have the political capacity to influence the political agenda nation-wide as well. Acting within a multi-party system is a challenge for most local leaders. The traditional left–right divide has acquired new complexities and involves players with different degrees of political influence. This current dynamic requires that the local branches of political parties strengthen their organizational and political capacity, as well as their flexibility to deal with the new context of local political life.

7.1 Political Parties at the Local Level

Political parties in Bulgaria do not typically have large memberships. The country has established a relatively liberal process of registration of political parties and organizations, as a result of which there are more than 200 registered parties (Freedom House Report 2003). Only a small percentage of these actually function as parties. Reliable data on the proportion of the population having a membership in political parties is lacking. According to Freedom House analysts, that figure is likely to be no more than 1%.

Working through branches has long been recognized as an important tool for mobilizing the local electorate. Therefore, each political party endeavours to build a dense network of branch offices as the basis for its activities at the local level. Also, the influence of the local branches often reaches beyond the particular local communities, affecting the policy direction of political parties nation-wide. Not all parties have been successful in building local offices, however, because of their limited constituencies, marginal influence, financial limitations, etc. Relevant traditions, experience, and institutional capacity do play an important role in this respect. The BSP, as a long

established, consolidated, structured, and experienced political party naturally enjoys the densest net of branches across the country. The Union of Democratic Forces (UDF), the Movement for Rights and Freedoms, the National Movement Simeon II, and the Bulgarian National Agricultural Union also have relatively dense networks of branch offices. This has been reconfirmed by the present survey as well. The distribution of branches across the country shows some regional specifics as well. Factors that play a role here are the ethnic composition of the region, the social composition of the electorate, and also the size of the communities. Thus, the MRF branch network is particularly strong in regions densely populated with ethnic Turks (mostly the Eastern Rhodope mountain in the south and the cities of Razgrad, Shumen, and Targovishte in the north). The Union of Free Democrats' party network, led by the mayor of Sofia, Stefan Sofianski, is concentrated in the capital and the big cities. The Union managed to capitalize on the political image of Sofianski, who has been successfully reelected three times as mayor of the capital. According to the LGS research, most of the surveyed municipalities have at least one political party branch or an office. There is a direct relationship between the size of community and the number of party offices in it. According to the research, in an insignificant minority of municipalities there is no party is represented. Municipalities of between 20,000 and 50,000 people are particularly well endowed with branches of political parties.

The LGS research has also found that 81.1% of the mayors and 86.7% of the councilors are members of a political party, thus leaving unaffiliated mayors and councilors as an insignificant minority. Independent candidates form only a small percentage (7.6%) of representatives. A dominant majority of the representatives with no party affiliation were nominated by a political party (see Table 2.61). Bulgarian political parties at the municipal level rarely form coalitions during elections to jointly nominate a particular candidate. Even less well established parties with a small electorate prefer to run independently in the first round of the elections. Coalitions are more likely to be formed at the second round of local elections, when the distribution of votes is clearer and some serious trade-offs among political parties take place. Independent candidates for local self-government are small in number. In general, they appear to be more successful in smaller communities, although there have been some successful independent candidates in large cities as well. This was confirmed by the results of the municipal elections of 2003, where some independent candidates for mayor won in several major cities. Usually, however, these were well established local leaders who held a mayors' mandate previously, with the political support of a political party.

The nomination of candidates by political parties tallies with the size of municipality. The research shows that in municipalities with populations of 10,000 to 50,000 people, most of the representatives have been nominated by a party, while in the smaller and larger municipalities there have been more independent candidates (Table 2.62).

Table 2.61
Party Membership of Representatives by Type of Nomination

	Not a Member	Member	Total
Not party nominated	34 26.4%	37 4.6%	71 7.6%
Party nominated	95 73.6%	765 95.4%	860 92.4%
Total	129 100%	802 100%	931 100%

SOURCE: LGS 2003.

Table 2.62
Party Nomination of Representatives by Size of Municipality

Population Size	No	Yes	Total
Below 10,000	17 7.5%	210 92.5%	227 100%
10,000–50,000	18 4.9%	349 95.1%	367 100%
Above 50,000	38 10.5%	323 89.5%	361 100%
Total	73 7.6%	882 92.4%	955 100%

SOURCE: LGS 2003.

The results are similar for party membership (Table 2.63). In small municipalities, over 20% are non-party members, with the figure dropping to 13.1% in large municipalities and to 10.1% in municipalities of 10,000 to 50,000 people.

Table 2.63
Party Membership of Representatives by Size of Municipality

Population Size	Not a Member	Party Member	Total
Below 10,000	47 21.1%	176 78.9%	223 100%
10,000–50,000	36 10.1%	319 89.9%	355 100%
Above 50,000	46 13.1%	306 86.9%	352 100%
Total	129 13.9%	801 86.1%	930 100%

SOURCE: LGS 2003.

7.2 Nomination and Endorsement

Different from some other Central and East European countries, Bulgaria allows civil society organizations (CSOs) to nominate candidates for positions in local self-government. This promotes the possibility of a diverse range of interests being represented. According to the survey, political parties still provide the most nominations for office (89.4%). The rest are split among independent nominees, nominations by CSOs, and some nominations by coalitions between parties and CSOs. Examples of the latter, although few in number, are still an extremely positive development in the overall context of elections in Bulgaria, where the most consolidated and organizationally strong political parties have traditionally dominated the process.

Table 2.64
Mayor and Councilor Nominations by Party

	Independent	Party	Civil Society Organizations	Party + Civil Society Organizations	Total
Councilor	35 4.1%	776 90.1%	31 3.6%	19 2.2%	861 100%
Mayor		79 83.2%	7 7.4%	9 9.5%	95 100%
Total	35 3.7%	885 89.4%	38 4.0%	28 2.9%	956 100%

SOURCE: LGS 2003.

Table 2.65
Councilors' and Mayors' Endorsements by Type

	None	By Party	By NGO	By Party + NGO	Total
Councilors	182 21.1%	503 58.4%	55 6.4%	121 14.1%	861 100%
Mayors	12 12.6%	53 55.8%	2 2.1%	28 29.5%	95 100%
Total	194 20.3%	556 58.2%	57 6.0%	149 15.9%	955 100%

SOURCE: LGS 2003.

The survey shows that more than half of the councilors (58.4%) have been endorsed by a party, while 21.1% have had no endorsement. The rest have been endorsed either by coalitions between a party and a civil society organization (CSO) (14.1%) or by CSOs

alone (6.4%). The situation is different with mayors' endorsements, as coalitions between parties and CSOs come to play a bigger role. Thus, almost every third mayor has been given endorsement by a coalition of a party and a CSO (29.5%). The percentage of elected mayors without endorsement remains small (12.6%). Traditionally, a majority of mayors is endorsed by a political party (see Table 2.65).

7.3 Party Activity

The activities of political parties need to be examined in their particular electoral context at the local level, because different patterns of behavior occur throughout the various stages of the election cycle. Thus, election campaigns are a time when the local branches of a party are consolidated under a certain election agenda. But this process is no longer as smooth as it has been in the past. The more democratic and decentralized from the central party headquarters the process becomes, the harder it is to agree on specific candidates. In the municipal elections of 2003, even the Bulgarian Socialist Party, known for its ability to impose party discipline, had difficulty in consolidating branch offices around particular candidates. Once a consensus has been reached, local party branches organize public meetings for the party nominees. Political activism at this stage of the election campaign is outstanding. Quite often higher party officials, members of parliament, or members of the central boards and offices participate in public meetings and discussions, thus lending their authority to the candidates. Most often, local party branches intensify their participation in public debates, in radio broadcasts, and in interviews in print and mass media. The public relations campaigns of local representatives are usually conducted by professional organizations. However, specific local issues remain an inherent element of the campaigns, which in some places turn into personal battles.

Another phase of party activity begins when the local representatives assume office. The LGS research reveals a generally low level of activity of local party offices in Bulgarian municipalities. One reason is that political parties in general are not very active between elections, with only a few actually continuing to function. Technically speaking, most of them are not sufficiently institutionalized, have a limited base in the constituency, have no particular experience, and lack technical equipment, offices, and adequate personnel for successful participation in local politics. These minor parties are mostly dependent on sponsors, which use them as tools to further their political, economic, or other interests whenever needed.

The major political parties represented locally are in a different situation. They have established offices, historical records, experience, communication channels, and connections with the local media and local businesses. Following elections, their activities are directed mostly to political lobbying through the elected representatives. Efforts

to further the political interests of parties and the economic interests of powerful groups often turn into fights among the municipal council members, especially when no party has a majority in the council, or between the mayor and the council if they have been nominated by and come from different parties. It is not surprising that the decision-making process is difficult, given the general lack of a professional political culture and the absence of efficient mechanisms to facilitate the process and to balance diverse political interests. Fights within the municipal councils or between municipal councils and mayors, often with unclear agendas, get in the way of making timely and productive decisions that would benefit the community as a whole. Such externalities are clearly a hindrance to local policymaking. A textbook example of this is the budget process. Securing the support of the municipal council for the budget prepared by the mayor and its administration can be a very slow process in a considerable number of municipalities in Bulgaria. The problem is compounded by the insufficient opportunity for public input on matters of particular importance to the community. Though increasing in number (some municipalities have already adopted internal rules of practice on public hearings incorporated in the Municipal Ordinance on Local Budgets), these initiatives are still mostly ad hoc, insufficiently institutionalized and not offering a strong corrective to the local policymaking process.

7.4 Factions

The degree of fragmentation in the councils depends mainly on the total number of political parties in the municipality and, as stated previously, this figure is related mostly to the size of the community. Larger communities where more numerous local branches of political parties exist are potential candidates for coalitions. This is less likely in small communities with, at most, one or two branches of political parties.

The LGS research shows that in one-third of all assessed municipalities, an agreement between the political parties or deputies on the establishment of a majority coalition in local municipal councils has been effected. Most preelection coalitions survive during the whole election term. In addition to these coalitions, however, there are frequent informal alliances between representatives with different political affiliations, established for the purpose of majority voting on particular issues.

7.5 Conclusion

The driving force behind the current multiparty political profile of Bulgaria is the agenda of transition towards a mature democracy, characterized by stability, predictability, and the democratic representation of the political interests of minority groups. The

functioning of the party system is underpinned by a high degree of political consensus and widely shared political goals: accession to the EU, completion of the reforms, and the attraction of foreign investment. Political debate has shifted its focus to the incremental improvement of the existing structure of democratic institutions, in order to ensure transparency, accountability, the rule of law, and action against corruption. Some significant changes have occurred at the local level of politics in Bulgaria as well. Although still largely dominated by the major political parties through both their local offices and central headquarters, the local political spectrum now involves various actors so that a plurality of interests is represented. Civil society organizations have come to play an increasing role in local elections through nominating candidates for local representative. Public discourse has intensified and attempts have been made to create a more structured environment for it. Citizens and civil society organizations have so far had a limited influence in local political life in Bulgaria. The prevalence of representative over direct democracy in the country sustains the strong yet direct influence of political parties over local politics. However, as reconfirmed in the 2003 municipal elections, the more politics becomes a contest between personalities and structural party capacities than one of divergent political projects, the more opportunities appear for local leaders. Constructing sustainable democratic institutions necessarily involves the issue of a more efficient means of engaging citizens in the process. As illustrated by the recent introduction into law of mandatory public hearings of the local budgets, the trend is towards setting up a more institutionalized framework for citizens' participation. What use will be made of these opportunities and how the experiment with direct democracy will develop in Bulgaria is a challenge for the next decade.

8. LOCAL REPRESENTATIVES

Becoming a mayor or councilor in Bulgaria is seen as a significant step in advancing one's professional career. A successful candidate runs for election in local government once he or she has the ambition, the political support, and an effective strategy. Voters, for their part, make their choice according to subjective preferences, political biases, preelection propaganda, as well as what they consider will best serve their interests. Although the two perspectives of candidate and voter complement each other and are interrelated, they will be considered separately because of their specific and different impacts on election outcomes.

8.1 Demographic Features of Local Representatives

8.1.1 Participation of Women

In terms of women's participation in politics in Bulgaria, an important role is played by the political parties, since the slate of candidates presented to the voters is already limited to a certain extent by the process of party nomination and the selection rules that exist inside the parties. Repeated studies of gender and voting indicate that the predominance of men in electoral office is less a result of voting in general elections than of party nomination practices (Lovenduski and Regulska 2000). Bulgaria is no different from other CEE countries that experienced profound changes with respect to women's participation in the public sphere after the break from socialism. In the socialist period, women had a secured quota of around 20% female membership in the communist parliament, but no meaningful presence in any government structures (Videva 2003). As in other CEE countries, in Bulgaria there was a significant decrease in the number of female politicians elected in the post 1989 parliamentary elections (8.5% in 1990 compared to 21.7% in 1981). Developments in the 1990s, however, led to an overall increase in women's share of parliamentary seats, with Bulgaria, Latvia, and Poland breaking 20% (Sloat 2003). Bulgaria saw a significant breakthrough in this respect in the 2001 elections, when 26.7% of representatives elected to parliament were female. This outcome occurred in the context of a favorable preelection platform and policy offered by the ruling political formation, National Movement Simeon II, which actively promoted bringing more women into parliament.

As far as the participation of women in the Bulgarian government is concerned, since 1989 there has been a stable trend of strong representation of women in the executive. In the 2001 government, Bulgaria had the largest number of female ministers in its history: five of 22. At the moment, women are not as prominent at the local level as they are nationally. Their participation in professional guilds is also high, and this trend is generally referred to as the "feminization of the professions." According to the LGS research, two of ten representatives in municipal councils in Bulgaria are female, compared to one in ten mayors. Overall, these numbers indicate a relatively low rate of participation of women in the local political elite. Indeed, because of the high percentage of women elected to parliament in 2001, there is now a higher percentage of female MPs than of councilors and mayors (Sloat 2003). Various factors have contributed to the above picture: women are less often affiliated with political parties; the policies of political parties for nominating candidates are not helpful; some women are more attracted to a professional than a political career, etc. In these circumstances, building a strong women's elite in local politics remains an ongoing challenge.

8.1.2 Age and Political Experience

According to the LGS research, the majority of local representatives is between 41 and 60 years of age. Almost one-third are between 41 and 50 and another third are between 51 and 60. Those under 40 years of age amount to 17.4%, a bit more than those over 61 years of age (15.1%). Mayors account for more than one-third of the 51-60 age group. The age factor is closely linked with the political experience of candidates. The survey shows that most of the local representatives have spent their working lives in municipal politics and only 1.2% are new to the career. The findings confirm a high threshold level of political experience, which makes it difficult for younger candidates to successfully start a career in local politics. One reason for the predominance of older and more experienced representatives may be that local political parties prefer to trust candidates who are already established and well known by the majority of voters. The case of mayors provides a good example in this respect. The percentage of the mayors who have spent all of their working lives in the municipality (78.7%) is higher than that of the councilors (69.5%). Another reason may be that eligible and talented younger people seek different professional careers and leave local politics to the ones who have been there for years and have both the experience and the ambition to continue. Party credentials and previous experience in local government affairs turn out to be key factors for assuring participation in local political life.

8.1.3 Ethnic Representation

Another important characteristic to consider when looking at the profile of local representatives is ethnic representation. According to the LRS research, the dominant group among local representatives is of Bulgarian descent (86.5%). The Turkish ethnic minority group holds 10.2% of seats, which is proportional to its share of the population. The rest are representatives from small minorities. The Roma parties did well in the 1999 municipal elections and managed to elect about 200 municipal councilors. Although the elected Roma representatives (0.7%) do not reflect the part of the population they represent, the local elections result may well be considered an achievement compared to the overall political underrepresentation of Roma parties in Bulgarian politics. The latter may be explained by the lack of relevant tradition of Roma political participation so far, the self-identity problem that Roma people face, their uneven concentration across the country, etc.

8.1.4 Education, Languages, and Use of Technology

Bulgarian local representatives are traditionally known for their strong education record, and this has been confirmed by the survey. A large majority of local representatives has completed a higher education, followed by 16.3% with a trade school diploma, and an insignificant minority has graduated from secondary school only.

Table 2.66
Level of Education of Local Representatives

	Not Completed Primary	Primary	Trade School	Secondary	Higher Education	Total
Councilors	1 0.1%	6 0.7%	147 17.3%	36 4.2%	662 77.7%	852 100%
Mayors			8 8.4%	3 3.2%	84 88.4%	95 100%
Total	1 0.1%	6 0.6%	155 16.4%	39 4.1%	746 78.8%	947 100%

SOURCE: LRS 2003.

In light of the challenges the country faces in its preparation for accession to the EU, and as international contacts with local leaders intensify, communication at the international level becomes essential. With respect to foreign language proficiency, the survey shows that half of the local representatives are fluent in a foreign language. Four of every ten mayors speak a foreign language. Internet communication is no rarity for 42.6% of mayors or for 39% of local representatives. E-mail users are slightly fewer in number, amounting to approximately one-third of all mayors and councilors.

8.1.5 Income

Income becomes an important factor when we look at the incentives for local representatives to join the local political elite, as well as the preferences of the local electorate who, especially at the local level, is well informed about the social standing of particular candidates. Income is not necessarily linked to education, skills, and professional history. In fact, the current economic profile of the country is quite rich in examples of the concentration of wealth and businesses in the hands of people whose education and professional experience are not noteworthy.

According to the survey, a little fewer than half of the councilors rank their income as average (group four), and one-third of all representatives assessed consider themselves

to have a higher than average income. A rather insignificant minority (6.0%) claims to have the highest level of income (see Table 2.67). Unlike councilors, a higher percentage of mayors claims a higher income. Three of ten mayors rate their income as average (group four); with minor exceptions all others consider themselves to have above average income. Like councilors, a rather insignificant minority (7.4%) claims to have the highest income.

Table 2.67
Income Levels of Councilors and Mayors (7-Point Scale*)

	1	2	3	4	5	6	7	Total
Councilors	63 7.7%	47 5.7%	81 9.9%	364 44.4%	129 15.8%	88 10.5%	49 6.0%	819 100%
Mayors		2 2.1%	1 1.1%	28 29.8%	36 38.3%	20 21.3%	7 7.4%	94 100%
Total	63 6.9%	49 5.4%	82 9.0%	392 42.9%	165 18.1%	106 11.6%	56 6.1%	913 100%

NOTE: * 1—lowest income; 7—highest income.

SOURCE: LRS 2003.

8.2 The Political Background of Local Representatives

Political background matters. It not only refers to membership in a given political party, but also includes experience, political influence, party credentials, political preferences, biases, even opportunities to become the target of campaigns built on the records from a previous mandate. The political background of local representatives is important because it directly affects the stability of institutions and the local political climate.

Notwithstanding the profound political changes that have taken place in Bulgaria since the beginning of the transition in 1989, the past is still a factor for some political actors on the local scene. The affiliation of local representatives and elected mayors with the former communist party is not without significance. The fact that almost one-third of all councilors and mayors were members of the communist party before 1990 deserves some attention, as it speaks to continuity of political participation, as well as the high threshold barrier for new entrants. In considering the above data, however, we need to take the age factor carefully into account (only 17.4% of all local representatives are below 40 years of age) and also the fact that in the former one-party system, the only opportunity to participate in politics was to be a part of the communist elite. A small minority of local representatives and mayors has held an office in a party before 1990: 11.6% of mayors compared to 7.1% of councilors. Every fifth mayor and 14.3% of the councilors were members of a municipal council before 1990.

A majority of representatives has had practical political experience in working in local governance. One-half of all mayors have been reelected. The percentage for councilors is slightly higher—57.5%. In Bulgaria, being a municipal councilor has always been considered a political assignment and not a professional occupation. It is clear from these figures that having strong party credentials is a serious precondition for a successful election.

Experience and training become increasingly important in managing local affairs. With major donor support, there have been numerous capacity-building programs in the local government field, which have provided local representatives with more analytical and practical tools for managing local politics and administration. Also, networking and participating in workshops and similar events at both the national and international levels have added to the capacity of mayors and local representatives. A large majority of mayors has completed political career training compared to one-half of councilors.

Becoming a local representative is a considerable step in one's political career. The ambition to get reelected is quite natural, easy to explain, and has a lot to do with consistency in politics and government. It comes as no surprise that, according to the survey, a large majority of representatives wishes to be reelected. It will be important, however, to establish a mechanism of checks and balances to guarantee free access to the local political scene for all candidates nominated in a democratic and lawful way. Keeping the system open to new entrants is the only way to sustain its democratic development.

8.3 The Social Capital of Local Political Leaders

The involvement of local representatives in the nongovernmental sector is a relatively new phenomenon, which has no parallel and no established traditions so far. Participation may take various forms and does not necessarily mean membership in a particular not-for-profit organizational unit. More often, local representatives get involved in programs, capacity-building events, pilot programs, and social projects that are initiated and conducted by civil society organizations. It should be emphasized that the National Association of Municipalities in Bulgaria is itself a not-for-profit organization with an established strong presence in the local governance sector. Most mayors are its members. Together with other extremely influential associations in this sector, including the Foundation for Local Government Reform and nine regional associations of municipalities, it creates conditions for local representatives to effectively participate in the nongovernmental sector. It promotes activities to advance their interests and enhance their political vision.

Besides this, the results of the survey demonstrate that one-fifth of all councilors and one-third of all mayors hold a position in a civic organization. The majority of representatives holding a position in a civic organization participates in only one, less

than one-third participate in two, and a minority participates in more than two organizations. Associations are the preferred form of CSO for a majority of representatives, followed by foundations and trade unions. Foundations are mostly set up for a specific purpose and have a limited membership. However, some of them have a strong record of projects and initiatives in the local government field, which involve local representatives in one form or another. However, most of them are project-driven and have limited chances for sustainability once the massive donor support, mostly by USAID, terminates. The participation of local representatives in trade unions is relatively low, similar to that of other groups or professions.

8.4 The Political Culture of Local Representatives

In the survey, local representatives were asked to indicate the extent to which they personally agree or disagree with particular statements that concern the political or legal systems. The statements were presented on a scale with affirmative and negative poles. The answers are presented in Table 2.68, grouped according to the extent of agreement with the statement. For local representatives, there are three main groups of values and attitudes: a) the dominant view, shared by a significant majority of the representatives; b) majority views, agreed with by more than half and disagreed with by less than one-quarter of all representatives; c) values and attitudes that provoke different or opposing political views among representatives.

The attitude towards competition shows the most positive and consolidated response, with a large majority believing that competition provides incentives for more efficient work. To a majority of representatives, democracy implies protection of rights and private property. A majority also agrees with the necessity to increase private ownership in the business sector. A significant majority believes that even political extremists must be given the right to hold public meetings, while a small minority disagrees. Thus, according to the results of the survey, the values of free competition, protection of rights, private property, private ownership, and freedom of assembly are most widely shared by local representatives. Issues of freedom of media, prevalence of national over local priorities, and trust in leader attracted fewer votes. Half of all representatives support the freedom of media to cover local issues in a fair way even if this would hurt some residents or focus criticism at local government. Every second representative believes that national priorities come first compared to local problems; a small minority disagrees. Those who trust leaders and experts are almost equal in number to those who do not. Almost every second person interviewed shares the opinion that income should be more equally distributed, and supports widespread public participation in decision-making process. A small minority, however, considers such participation to bring undesirable conflicts and to be a waste of time and resources.

Table 2.68
Democratic Values and Attitudes of Local Representatives [%]

	Agree	Ambivalent	Disagree
Competition is good. It stimulates people to work hard.	74.7	18.3	7.0
In a democracy everyone should have exactly the same rights.	60.8	15.5	23.7
Private ownership of business and industry should be increased.	51.6	33.5	14.9
Local media should point out the problems they see, even if their coverage could hurt some community residents or the local government.	42.9	29.2	27.8
Achieving national goals must always have a priority over solving local problems.	41.7	45.5	12.8
In this complicated world, the only way we can know what is going on is to rely on leaders and experts who can be trusted.	30.0	39.7	29.3
The government should take more responsibility to ensure that everyone is provided for.	25.2	42.3	32.6
Local leaders can never achieve anything if they are too concerned with preventing conflicts in the community	22.5	31.7	45.8
Income should be more equal.	13.1	38.8	43.1
Even political extremists must be given the right to hold public meetings.	12.6	28.2	59.2
Widespread public participation (in decision-making) often leads to undesirable conflicts or wastes time.	10.0	41.5	48.5

SOURCE: LRS 2003.

Challenges are presented by the results concerning the level of trust local representatives have in central government and in the presidency. Trust in democratic institutions is a fundamental element of political culture, crucial for the vertical as well as horizontal integration between various levels of government. This has often been considered an independent variable of the political environment and, therefore, not much has been done towards creating a climate of confidence between all levels of government, as well as other powers. As the survey results show, trust of local representatives in central government and in the courts of law is below average compared to the relatively high (4.51 on the seven-point scale) trust in the president. The rest are about average. On the whole, mayors show more trust, while councilors remain more skeptical toward institutions.

According to the survey, local representatives' trust in people is relatively low. One-third of representatives say that most people can be trusted while a large majority states that they need to be very careful when dealing with the people. Here again the mayors show more trust than the councilors. Four of ten mayors say most people can be trusted, compared to three of ten councilors.

The division is similar on the issue of whether people will be fair or not. A significant majority of representatives says that people would try to take advantage. The mayors have greater trust than councilors—45.7% of mayors and 33.6% of representatives believe that people will try to be fair.

All representatives feel a strong attachment to all levels of the government system, but the strongest attachment is felt on the country level where the average is 6.61 out of 7.

The ideological orientation of local representatives either towards left or right reflects the orientation of the local electorate. Ideologically left-oriented councilors and voters had a good match in positions on basic values and beliefs. The majority of local representatives share a belief in fundamental democratic values. There is a general liberal approach towards freedom of economic activity, protection of private property, personal freedom, freedom of the media, freedom of political action, etc. Basic challenges to political systems that have been identified in the course of analysis concern credibility in both institutions, including the executive and court systems, and individuals. The relatively low credibility of institutions in the eyes of local representatives has been largely confirmed by recent polls among the general population. Particularly critical is the attitude towards the Bulgarian court system.

8.5 Local Representatives' Attitudes toward Representation

Three aspects of local representatives' attitudes towards representation are discussed in this section: how they internalize their role as representing the local community, how they regard their interaction with local residents, and their view of factors shaping their opinion.

The survey used structured interviews in which local leaders were asked to what degree they feel it is important to give some special consideration to certain groups of people. The results show that local representatives generally consider themselves to be delegates of all citizens of a community or city (a response of 6.07 on the seven-point scale). Consideration for those citizens who voted for them is similarly high. Beliefs that local representatives are delegates of particular area of the municipality, of the party to which belong, of certain occupational groups, of ethnic groups, and of central government are all at an average level. The councilors assessed gave a higher rating in all of these categories.

The influence of constituents on local representatives depends on the situation for most representatives. A small minority feels they are obligated to take the opinion of the people into account, and one-fourth would rather follow their own policy judgment.

For a variety of reasons, the process of informed decision-making has always been a challenge in Bulgaria and the local level is no exception. Barriers to informed decision-

making include: relatively underdeveloped communication channels, insufficient ability to process information, lack of data analysis skills, usage of limited sources of information, and so on. The survey question focused on the relative importance of selected sources of information for the respondents (local representatives).

Table 2.69

Consideration Given by Local Representatives to Selected Groups (7-Point Scale*)

Group of People	Mean on Scale of Importance
All inhabitants of the municipality	6.07
Citizens who voted for them/her/him	5.73
Party to which they/she/he belongs	4.75
A particular area in the municipality	4.08
Certain occupational groups	3.86
Central government authorities	3.67
Ethnic groups	3.15

NOTE: * 1—little importance; 7—great importance.

SOURCE: LRS 2003.

The results, as shown in Table 2.70, demonstrate that most local representatives consider direct contact with citizens to be the best source (6.06). Other sources seen as reliable are: their work place (5.37), meetings (5.23), information from their own family (5.23), and information from their own party branch (4.89). The rest of the options are viewed as being of average value. Civil organizations, media, as well as the administration are seen as less important sources of information. The comparatively low value given to the media as a potential source of information is worth noting. It raises serious concerns about the quality of the media, its correspondence to local needs, its relevance to local interests, etc. The fact that the family circle as a source of information rates higher than local media, for example, shows a lack of concern for the value in having diversified sources.

The degree of influence various stakeholders in local political life have over the formation of opinion and views of local representatives is presented in Table 2.71.

Councilors consider meetings with local residents the most decisive for them to form an opinion. This comes as no surprise, considering that information from local residents is the preferred source of information by councilors (see Table 8.4). The following factors are ranked next: councilors from the same faction, representatives from the same party, the mayor, and councilors of other factions. The low influence of local businesses on the formation of opinion by local representatives speaks of relatively underdeveloped public–private dialogue. Media has a minor impact on the local decision-making processes and the church generates the lowest influence of all.

Table 2.70
Local Representatives' Ranking of Information Sources
as Reflection of Citizens' Views

Rank	Information Source	Mean
1	Personal contacts with citizens	6.06
2	Work place	5.37
3	Own family	5.23
4	Meetings	5.23
5	Own party branch	4.89
6	Administration	4.47
7	Civil society organization	4.23
8	Office hours	4.23
9	Media	4.10
10	Letters from citizens	3.97

SOURCE: LRS 2003.

Table 2.71
Influence of Different People on Local Representatives' Opinion (7-Point Scale*)

Rank	People Who Influence Formation of Opinion	Mean
1	Local residents they meet	5.49
2	Councilors from the same faction	5.30
3	Own party representatives	5.04
4	Mayor	3.97
5	Councilors of other factions	3.60
6	Civil organizations	3.35
7	Civil servants	3.06
8	Local businesses	3.02
9	Other party representatives	2.80
10	Media	2.78
11	Chief Administrative Officers	2.71
12	Churches	2.29

NOTE: * 1—little importance; 7—very great importance.

SOURCE: LRS 2003.

8.6 Conclusion

Examining local representatives' social background is essential for assessing the political culture of elected local leaders and their attitude towards representation. Doing justice to this requires a complex approach that is sensitive to political tradition, historical patterns, emergent opportunities, and established trends. Our profile of local representatives is largely based on the LGS research and similar studies. The results signal the birth of a new approach to local government that goes well beyond the narrow understanding of managing local affairs in a closed world of scarce resources, limited tools, and more or less the same well known actors. Given the dynamics of the transition and the scope of the reforms, local politics has increasingly become a competitive arena where various new actors take a stand, and new rules and new requirements of local representatives apply. The dynamic of the decentralization reforms has shifted away from disputes on the content of the reforms. As a basic consensus on strategic changes has already been reached, what is crucial now is the incremental improvement of the structure of democratic institutions.

The new circumstances come with a different set of preferred values. As confirmed by the survey, the values of free competition, protection of rights, private property, private ownership, and freedom of assembly are widely shared by local representatives. New patterns of dialogue are emerging, which increasingly involve local businesses and civil society along with the decision-makers. This synergy becomes an important element of a new political culture of local representatives. Along with the positive aspects of this development, there are some important concerns to watch out for. For example, it will be crucial to deal with the deficit of trust in both institutions and people. Upgrading the information environment with the many existing good practices will definitely add to building more trust in the progress of the reform.

9. RESPONSIVE LOCAL GOVERNMENT

The issue of responsive local government is relatively new in the political profile of the Bulgarian transition, though experience in this respect is evolving. The various strategic programs for local, regional, and urban development obviously reflect some of the priorities of the particular regions and localities. But on a deeper levels, responsive local government must involve making decisions and formulating policies with proper consideration of local needs, local interests, and local potential. This implies that local governments are sufficiently able to identify problems, reach solutions, involve partners at the local level, communicate their position, analyze demands, and incorporate them into the decision-making process. Responsive government presupposes an open

channel of communication between stakeholders and local governments in the interest of advancing a common agenda.

In the following sections we examine a number of related issues: how and to what extent decisions of local government are influenced by external actors; the issue of participation, i.e., how institutional actors involve residents and their organizations in the policymaking process; and how well the provision of services by local authorities has met local community members' expectations. The analysis is based on criteria such as the involvement of citizens and civil society organizations, the correspondence of local politics to identified local needs, and transparency and openness of the decision-making process.

9.1 Inclusive Decision-making

Various stakeholders at the local level, such as citizens, civil society organizations, local businesses, and the media have different social and political standing, presenting uneven opportunities for meaningful influence on the local decision-making process. The trend so far is that individuals and social groups with more social status have far more opportunities for a meaningful impact on the policy process at the local level. The LGS questionnaire from which the data was obtained inquired about the level of influence that specific persons and bodies exercise on decisions of local government (see Table 2.72).

The results confirm that the mayor is the figure of greatest importance in the local government's decision-making process. The role of various council committees, fractions and local branches of political parties, central government, and local representatives is quite significant as well. Next in influence come local businesses and regional governor administrations. Civil servants, media, and citizens groups play some role, although far less significant than the other stakeholders. Civil society organizations, churches, and trade unions have only a low impact on the local decision-making process.

From the perspective of decentralization, these results show a high level of influence of central and regional administrations over the decision-making process at the local level. Some background is necessary here, to provide a context in terms of administrative reform aimed at decentralization. In 1998–99, significant steps were made to establish a clear delineation between the political and administrative levels of government, to improve transparency and accountability in administration, and to set transparent criteria for recruitment and promotion of civil servants. Considerable success in the decentralization process was achieved with the adoption of the Program for Fiscal Decentralization in 2002. There is a strong trend to redesign the system of taxation at the local level to allow more rational management of local resources. The New Regional Development Act of 2004 attempts to provide a more efficient structure for the formulation and

implementation of regional development policy, while responsibilities at the local level are clearly defined. These and other related reforms indicate an effort to strengthen local government as a strong and independent actor on the local decision-making scene. However, the high degree of dependency on the central authority, sensed by local representatives and illustrated by the survey results, has a lot to do with the lack of sufficient own financial resources at the local level. The rather slow development of the fiscal decentralization process has led to a situation where local administrations are not financially able to meet the tasks of their extended competencies as defined by law. The dependence on central budget transfers to meet local needs is one cause of the feeling that central authority has a strong influence. The increased role of local businesses is quite encouraging, and suggests the emergence of a new level of public–private dialogue.

Table 2.72

Influence of Selected People and Bodies on the Decisions of Local Government
(7-Point Scale*)

	Mean
Mayor	5.32
Committees	4.75
Factions	4.44
Local branches of political parties	4.29
Central government	4.21
Representatives	4.02
Local business	3.88
County government	3.81
Chief administrative officer	3.47
Civil servants	3.46
Media	3.45
Most interested citizens	3.38
Civic organizations	2.92
Churches	2.29
Trade unions	2.20

NOTE: * 1—very small influence; 7—very big influence.

SOURCE: LGS 2003.

The low participation of civil society organizations in the decision-making of local governments is largely due to their uneven distribution across the country and the considerable difference between the impact of their activities in large and small municipalities. According to the research, there is at least one civic organization in slightly

less than half of the assessed municipalities. The number of organizations varies with the size of the municipality. There are 8.5 civil society organizations in municipalities with over 50,000 residents, compared to 0.98 in municipalities with less than 10,000 people. One-third of the local civil society organizations participated in the decision-making process of the local government.

Table 2.73
Number of Civil Society Organizations in Municipalities

Number of Civil Society Organizations	Number of Municipalities	Percent
0	84	44.4
1	23	12.2
2	30	15.9
3	17	9.0
4	10	5.3
5	6	3.2
6+	19	10.1
Total	189	100.0

SOURCE: LGS 2003.

In the provisions of the Local Self Government and Local Administrations Act, local governments are in charge of providing specified public services. Public or social services may also be provided by civil organizations as not-for-profit groups. This way, municipalities with lower budgets can participate in the provision of local services through joint involvement in projects, sharing the project's funds, technical equipment, etc. The new Municipal Budget Act of 2003 has provided further opportunities for more active involvement of civil society organizations by requiring that municipal budgets be exposed to public hearings before being voted on by the municipal council. The results of the survey reflect the situation prior to this new act. The data show that a large majority of the municipalities had already undertaken measures to present the local budget before the public. Because of the different methods used, however, possibilities for citizens to get directly involved in the discussion and to influence the decision-making have varied. In a quarter of the municipalities, a draft of the budget was published. Open discussions took place in almost half of the municipalities, although these involved different groups of stakeholders. Discussions with journalists (16.4%), public hearings (15.3%), and discussions with civic organizations (15.3%) were the other actions taken.

Given the new framework conditions, it might be expected that mandatory public hearings of local budgets will facilitate more responsive decision-making by local governments.

Table 2.74
Forms of Public Discussion of the Local Budget

Action Taken	Percent of Municipalities
Discussion with civic organization	15.3
Public hearing	15.3
Publication of draft budget	23.3
Discussion with journalists	16.4

SOURCE: LGS 2003.

There have been some outstanding new practices with respect to responsiveness in decision-making that are worth reporting. These entail the establishment of quality management systems (ISO 9001:2000) in quite a few municipalities in Bulgaria. ISO-certified municipalities include the municipalities of Veliko Tarnovo, Pazardjik, Kardjali, Shoumen, and some others. In addition, the municipality of Shoumen has introduced an integrated quality management system that incorporates the requirements of ISO 14001:1996, governing the protection of the environment. Given that Bulgaria is also the first country in South Eastern Europe to have a regional administration certified against the standards of ISO 9001: 2000, the above practices are evidence of an enormous qualitative change in the perception of local and regional governance in Bulgaria. They also indicate the new managerial attitudes that have begun to emerge among local representatives who prefer to invest scarce financial resources in strengthening the administration by improving quality, transparency, and accountability. Beginning with a local initiative of some municipalities, joined quite quickly by others, the introduction of the ISO management system in local administrations has now become a trend supported by major stakeholders in Bulgaria, including the Minister of Public Administration, the National Association of Municipalities in Bulgaria, etc. In practical terms, one immediate and positive result of maintaining an ISO system in local administrations is the fact that structured communication with all stakeholders is established and monitored. Proposals, opinions, and complaints of citizens are recorded and adequately processed. Transparency and openness are sought and monitored.

9.2 Accessibility of Local Representatives

In terms of citizens' relationship with the local representatives, both the mayor and the councilors are part of the picture. Their roles are defined by law and by the existing administrative practices. Their accessibility is to a large extent determined by the format governing their encounter with citizens. The responsibilities of the mayor include regular

office hours to meet with citizens and hear their demands and complaints, participation in public meetings and public debates, giving interviews and press conferences, and contributing items in the local press. By law the mayor is also obliged to take action within one month on any complaints brought before him or her. The processing of complaints should be transparent, recorded in writing, and easy to trace. In addition to these legally prescribed responsibilities towards citizens, there are various other cases where mayors meet the public. Analysis of the current situation, including reports of office hours, press releases, and so on, suggests that mayors in Bulgaria are generally quite accessible. Compared to mayors, councilors have far more limited responsibilities with regard to formal communication with citizens. As they have no formal office hours, their accessibility is largely dependent on their personal involvement in municipal affairs.

According to the LGS study, local representatives participate in an average of three public hearings or forums each year. Most of these occurred in large municipalities (7.28 per year). The lowest number of public hearings and forums in 2002 is registered in municipalities of between 20,000 and 50,000 residents. In small municipalities the average is two and a half public meetings. Thus, the participation of local representatives in public hearings or forums tallies with the size of the municipality.

Table 2.75

Number of Public Hearings and Forums by Size of Municipality (2002)

Size of Municipality	Mean
Below 10,000	2.23
10,000–20,000	2.74
20,000–50,000	1.69
Above 50,000	7.28
Total	3.09

SOURCE: LGS 2003.

However, another factor to be considered is the level of citizens' participation and the effort they are willing to make to access local representatives. The process, after all, goes two ways and requires effort on both sides. According to a survey done in 2004 by the National Center for the Study of Public Opinion, the majority of Bulgarian citizens feel that municipal administrations provide services in the most easily accessible format. The level of satisfaction with the quality of public services at the municipal level has risen by 15% compared to 2003. Notwithstanding the diverse means of communication, the same survey confirms that nine of ten interviewed citizens prefer to communicate in person with local leaders and representatives of local administrations, or through intermediaries. The Internet is used the least, and 10% try to reach local authorities by

phone. The survey results confirm that personal contacts are still largely considered to be the most efficient channel of communication with local representatives.

Some newly institutionalized forms of policy dialogue between local representatives and citizens appear to be very positive. One example is the Forums for Development, usually conducted at a municipal level around a specific local agenda, with local government playing a leading role and with the partnership of an NGO (CSP report 2001).

9.3 Conclusion

The dynamics involved in efforts to build a responsive and transparent local government are an open question in the current profile of local affairs. Our analysis has been limited to some of the existing variables available from the survey interviews and features only certain aspects of the relationship between citizens and local governments. In addition to that data, there are examples of very innovative practices that demonstrate outstanding efforts to increase responsiveness and transparency of local governments. For example, the introduction of quality management systems in local administrations in Bulgaria provides encouraging evidence that the task of building a responsive and citizen-focused administration has become a priority. The Forums for Development illustrate the emergence of institutionalized forms of policy dialogue between local representatives and citizens.

Because of the complexity of the issue of local government responsiveness, simply measuring the level of satisfaction of local inhabitants with the provision of public services by the municipality is not an adequate indicator of success. Given the current dynamics in Bulgaria, we can expect to face many challenges around this issue over the next few years.

10. LOCAL MEDIA

Bulgaria, like most of the countries in this region, may be considered small in terms of both territory and population. Accordingly, the media market remains small, defined by linguistic borders and audience numbers. Income levels and purchasing power are considerably lower than in EU member states. Notwithstanding the constraints, Bulgaria has been very successful since 1990 in expanding the media both quantitatively (number of media outlets and titles) and qualitatively (protection of freedom of speech and plurality of media representation). Thus, by the mid-1990s it had the greatest number of independent media titles and outlets per capita in Europe (McGann and Weaver 2000). Although some of these titles fell victim to the severe economic crisis

of 1996–97, the current media profile of the country remains extremely pluralistic and rich in information sources. The interrelated issues of freedom of speech and plurality of independent media were successfully resolved for the most part as early as 1990–91. A dense network of independent presses and television and radio stations has maintained pluralism and open public debate, such that Bulgarians now refer to the independent media as the “fourth power.”

10.1 Availability of Local Media

The monitoring of local public life in Bulgarian municipalities by the media is an established tradition. Thus, according to the subjective view of chief administrative officers, there is at least one newspaper dealing with local public life in most municipalities (see Table 2.76). However, there are marked differences across municipalities depending on their territorial size and population. More than half of the assessed municipalities with fewer than 10,000 people have at least one newspaper that covers local social and political affairs. This increases with the size of municipalities, so that almost all municipalities with over 50,000 residents have local media coverage. In half of all assessed municipalities there are at least three printed media concerned with local problems. The majority of municipalities with fewer than 10,000 people have an electronic media source dealing with local life. The percentage increases with the size of the municipalities, so that nine of ten municipalities with more than 50,000 residents have at least one electronic media source covering local events.

Table 2.76
Number of Media Covering Local Affairs by Size of Municipality

Municipalities by Population Size	Number of Newspapers				Number of Television or Radio Stations			
	None [%]	1 [%]	2 [%]	3+ [%]	None [%]	1 [%]	2 [%]	3+ [%]
Below 10,000	45.60	24.60	15.80	14.00	49.10	26.30	22.80	1.80
10,000–20,000	14.90	46.80	27.70	10.60	31.90	31.90	23.40	12.80
20,000–50,000	18.40	30.60	30.60	20.4	36.70	36.70	36.70	12.20
Above 50,000	3.10	15.60	37.50	43.80	9.40	9.40	50.00	34.40

SOURCE: CAO survey.

As shown in Table 2.77, in most cases local or regional print media provide coverage of municipal public life. The national media mostly cover events in large municipalities, except when something extraordinary happens at the local level.

Table 2.77
Type of Media Covering Local Municipal Affairs

Type of Media	Newspapers		Television or Radio Stations	
	Number of Municipalities	Proportion of Municipalities [%]	Number of Municipalities	Proportion of Municipalities [%]
None	44	23.20	54	28.50
Local media	60	31.74	81	42.80
Regional media	85	44.97	79	41.70
National media	20	10.58	13	6.87

SOURCE: CAO survey.

Quite understandably, the largest audiences of all types of media may be found in larger municipalities, where events are covered by several media or by one with high frequency. The size of the municipality can make a significant difference in this respect. The listening and viewing patterns of radio and television audiences are also different. The situation is especially problematic in remote rural and mountain village areas, where the national radio and television channels are the only feasible options for local residents.

10.2 Independence and Representation of Local Media

Article 40 of the Bulgarian constitution enshrines the right to information and freedom of the press. Free competition among media outlets is guaranteed by law and the print media are considered to be independent from governmental control. Despite the pluralism of the Bulgarian media landscape, however, it remains uncertain whether certain media outlets are truly free from the influence of political and economic power groupings (Freedom House 2003).

Bulgarian print media are not monopolized, but pluralistic. None are government-owned, with the exception of the “State Gazette” that publishes Statutes of Parliament and Government Decrees. Few municipally owned dailies have survived the competition. With the above exceptions, all other print media are privately owned. According to the Freedom House Report at the end of 2002, the nation’s largest private newspapers with national coverage had the following levels of circulation: *Trud*, 180,000; *24 Chasa*, 120,000; *Standard*, 30,000; *Monitor*, 50,000; *Sega*, 17,000; *Novinar*, 20,000; *Dnevnik*, 6,000; and *Kapital* (a weekly), 34,000. Overall, there are 247 newspapers and magazines, including ten large weekly magazines, 26 monthly magazines, and 53 large regional dailies. The few party-run and financed newspapers and publications have gone bankrupt; the latest to be discontinued is the Union of the Democratic Forces (UDF)

daily, *Democratzia*. The independent media have made significant progress, the print media are pluralistic, and increasingly, they are better managed.

However, it is important to note that the German West Deutsche Allgemeine Zeitung (WAZ group) owns the two largest daily newspapers, with over 70% of the total distribution in the country. Their regional editions have threatened to drive most of the local Bulgarian-owned press out of business. Given this pluralistic structure of the media market, many of the existing outlets have a specific bias or focus. This invites a situation where special interests can override professional journalistic concerns (Freedom House 2003). Apart from the question of the ownership of the largest newspapers, there is not sufficient transparency with regard to who owns particular print media outlets. The danger of this is that it can prevent some consumers from forming their own independent judgment on the objectivity of the news reported (IREX 2002). The majority of local print media are in the hands of private companies or individuals. The local newspapers face some serious competition from the regional editions of the largest national daily newspapers and, compared to the latter, they exert far less influence. A positive development for the local print media is the newspapers published by regional associations of local governments. These are mostly monthlies or quarterly periodicals that provide specific information on municipal political life.

The major newspapers (and major magazines, television stations, and radio operators) run Internet editions. These provide interactive discussion forums for the increasing Internet audience. There are also independent news agencies operating on the Internet since 1999, as well as one major national “electronic newspaper”—Mediapool. The Internet in Bulgaria, as in many other countries, is perhaps the most independent media platform, free of regulation and subject to no control whatsoever (Nahabedian 2002). Over the past few years, numerous new portals and electronic journals have emerged in Bulgarian web space. The growing popularity of electronic media gives us reason to expect a real boom in this field in the next few years. According to Alpha Research, a Bulgarian marketing and social research agency, there has been an almost 100% increase in the number of Internet users in Bulgaria between August 2001 (7.8% of the population) and January 2002 (14%).

Compared to print media, which managed to entirely emancipate themselves from direct governmental control, electronic media are still not completely free from interference by the state. Bulgarian National Radio and Bulgarian National Television are state owned and are rated as influential broadcasters in the country with a country-wide coverage. Their strong financial and organizational linkage with the state remains a factor in their strategic orientation and their independence. Since 1997, the state-owned television and radio stations, BNT and BNR, have been subject to regulation by an independent regulatory body called the Council on Electronic Media. Its members are influential, politically unaffiliated individuals, elected on a quota basis by the Parliament and the president.

Both radio and television businesses have undergone a significant expansion at both the national and local levels. Freedom House reports 63 television operators in the country, ten of which reach national audiences and only one of which (the Bulgarian National Television—BNT) is state owned (Freedom House 2003). Notwithstanding the strong presence of the BNT, private television stations are developing extremely rapidly, especially after the licensing of two independent channels with national coverage. These private stations have also become increasingly influential at the local level. The most popular nationally broadcast television network, BTV, owned by the international media magnate, Robert Murdoch, has already surpassed the BNT in audience and market share. There are also more than 140 cable stations, including thirteen satellite operators (as of 2002). According to data from the Media Resource Center, Sofia, in 2002 there were 71 local, 59 regional, and 16 national television channels (Dainov 2002).

The radio broadcast profile is no less pluralistic. In 2002, only one radio station (the Bulgarian National Radio) of eleven stations with national coverage was state owned. There were 98 local radio stations. Private radio networks (some with international backing) successfully compete with the still dominant Bulgarian National Radio. Dozens of newly licensed independent radio stations broadcast in all major Bulgarian cities (Media Sustainability Index 2002). In 2002 there were 140 regional radio stations. The same source reports a high number of radio operators—175 in 2002, of which 31 are cable stations and 144 wireless stations (Dainov 2002).

The expansion in print media outlets and television and radio stations has not been matched by similar developments in the advertising market, so that advertising revenues remain limited so far. The media markets are segmented, and there is considerable dependence on the few players who do consider investing in public relations and advertising. In addition, the concentration of funds in particular media groups means that costly activities like investigative journalism cannot be pursued regularly or have high quality.

In this pluralistic media environment in Bulgaria, minority language sources remain underdeveloped. Besides some minority language print media (Turkish and Roma) and some bilingual periodical publications, there are national television (BNT) news broadcasts in the Turkish language. However, these do not enjoy much popularity among ethnic Turks, according to the polls. Donor-driven initiatives include some Roma publications, but their circulation cannot meet the needs of the relatively large Roma population in Bulgaria (IREX 2002). The local Roma television station in the town of Vidin (in northwest Bulgaria) is also dependent on donor support. Considering the ethnic composition of the population—9.5% ethnic Turks, 4.6% Roma, and 1.5% smaller ethnic groups (National Statistical Institute 2001)—the representation of minorities in both national and local media remains insufficient.

10.3 Media in Local Political Life

The way in which information and news stories are collected and communicated is revealing of the role of local media in the political life of municipalities (see Table 2.78). Information on political life is channeled mostly through interviews with mayors and representatives of local administration and/or municipal councilors. Both print media and television and radio stations give them prime coverage. Reports on decisions taken by local governments are also well covered by all media, often with a special focus on how the decisions were taken. A good deal of time on local television and radio stations is devoted to the arguments for and against particular proposals of councilors or mayors. Unfortunately, more attention is paid to these arguments and counterarguments than to serious examination of the proposals themselves. This undermines the possibility for public discussion on particular issues before the matter is finally resolved by local authorities.

Table 2.78
Political Topics in the Local Media [%]

Do Local Media Publish the Following Types of News? (Percentage of 'Yes' Answers)	Newspapers	Television or Radio
Reports on decisions of local government	79.30	79.90
Information on arguments for and against proposals	77.10	81.80
Information on proposals made to the council	57.60	57.50
Interviews with representatives of local government or councilors	90.60	92.07

SOURCE: CAO survey.

The results shown in Table 2.78 demonstrate that local media mostly present the views and statements of local representatives, including local municipal administrations and councilors, as well as announcing facts and decisions already taken. This leaves little room for an informed public debate on issues of local importance. In small municipalities, the media become active participants in municipal political life mostly during elections or when scandals arise.

In large cities, the regional and national media predominate, especially in the print media, where the market share of regional editions of the major national newspapers is substantial. In this situation, the influence of the regional and local content of the “large” media becomes an important factor in local political life. This is especially true for investigative journalism focused on local governments. “Large” media are also the preferred platform for local representatives to attract votes and stimulate interest.

10.4 Conclusion

The current media profile of Bulgaria is extremely pluralistic and rich in information sources. The media market is rapidly developing and changing, along with the format of communication that now includes the entirely new electronic media. The results of the survey indicate that the role of the media as a forum for communication between local governments and citizens on specific local issues is still insufficient. Although increasing in range, coverage, and professionalism, the local media have yet to create a space where informed public debate can have a meaningful influence on decision-making by local leaders.

Despite the variation across regions and localities, as well as some other factors that negatively influence the media market, this “fourth power” is an increasingly strong influence within Bulgarian society. As expressed so aptly by the political analyst, Evgenii Dainov, “No government that has failed in its job—or turned against the media—has survived in post-communist Bulgaria” (Dainov 2002).

11. LOCAL CIVIL SOCIETY ORGANIZATIONS

For certain reasons, the history of the Balkans has fostered a general view that it is a region of weak states with fragile civil societies, sharp interethnic conflicts, widespread corruption, and a feeble rule of law. Giving justice to history, however, requires an acknowledgement of the increasing and successful breakthroughs of some Balkan countries towards modernity and democracy. In this respect, a convincing case can be made that Bulgaria has established the most dynamic and “vibrant civil society” in South Eastern Europe (Dainov 2002), which compensates to a degree for the sometimes inefficient political discourse between the government and the people. The large number and the significant influence of nongovernmental organizations in Bulgaria are quantifiable indicators that bear this out.

11.1 The Legal Status of Civil Society Organizations

The legal status of civil organizations in Bulgaria is governed by the Non-Economic Purpose Legal Persons Act, in force since January, 2001. The participatory process of drafting the act illustrates a new and higher level of constructive dialogue between legislators and the civil society organizations (CSOs). Experts and activists from the not-for-profit sector were active participants both in drafting the act and in lobbying for its approval in Parliament. The act governs the establishment, functioning, and legal status of the CSOs. It sets clear and easy-to-operate frames. The registration of CSOs is

uncomplicated, not too costly, and may only be denied if the legal requirements are not satisfied or if the purposes of the organization are illegal. The state has limited powers over the dissolution of not-for-profit organizations.

According to the Bulgarian constitution, “No organization shall act to the detriment of the country’s sovereignty and national integrity, or the unity of the nation, nor shall it incite racial, national, ethnic, or religious enmity or an encroachment on the rights and freedoms of citizens; no organization shall establish clandestine or paramilitary structures or shall seek to attain its aims through violence.” So far, there has been compliance with the ban on the establishment of anti-liberal organizations.

Three main types of organizations compose the bulwark of civil society in Bulgaria: public benefit organizations, mutual benefit organizations, and foundations. All have to be registered in court at their seat of establishment. In addition, public benefit organizations must register with the Public Registry at the Ministry of Justice. The purpose of their establishment should fall into one of the categories of public benefit specified in law.

Civil society organizations are profit-making, but not profit-distributing entities. They may perform economic activities related to the main purpose of the organization and use the generated return from their activities, but they may not distribute the return among their members. CSOs may also set up subsidiaries, which are also permitted to engage in economic activities. The government does not tax civil society organizations. However, they must pay all due taxes on for-profit activities and invest their returns back into their main activities. Allowing civil society organizations to get involved in economic activities enhances their sustainability, as they are acquiring the ability to provide various services.

The new regulatory regime established in 2001 is generally considered to be progressive (NGO Sustainability Index 2002). However, legislators have not yet succeeded in providing favorable conditions that would encourage businesses to support civil organizations through tax benefits. While there have been some incentives in the Corporate Taxation Act of 1997, they are limited in scope and do not suffice to stimulate civil society organizations. A field study of the Center for Social Practices of 2001 has asserted that both NGOs and donors consider the current tax regime absurd, where in order to avoid tax on a donation, the donor company has to disguise the donation as an “expenditure.” The tax policy on donors and donations has also led to a situation where most companies choose to donate “in kind,” rather than provide the NGOs with the financial resources they need to achieve their policy ends. Amendments to the applicable tax and public procurement legislation have been continually discussed, but no progress has been made so far in this respect.

11.2 Density of Local Civil Society Organizations

As reported by the National Statistical Institute (NSI), in 2002 there were 14,779 registered not-for-profit organizations in the country. Of these, 2,881 are foundations, 11,888 are associations, and ten are foreign not-for-profit organizations. About half of the registered organizations are the so-called “*chitalishta*,” traditional Bulgarian educational and organizational institutions, which provide a rather limited range of services nowadays (NGO Sustainability Index 2002). A study completed by the MBMD polling agency refers to a large number of additional organizations registered as NGOs, which are indeed direct heirs of former “mass organizations.” These include “creative unions,” sports clubs, etc., which have a limited, if any, effect on the civil agenda. Recent developments include the appearance of professional associations and guilds in the NGO arena. Most of them have managed to enter into a direct dialogue with the public authorities on specific professional issues and to find their niche as stakeholders in the decision-making process.

A steady trend, confirmed by analysts, is that the “NGO sector continues to increase its sustainability and expand its influence in Bulgarian society” (NGO Sustainability Index 2003). There are several major indications of this. An important one is the increase in the number of CSOs that actually function. According to data published by the Information Center of the Open Society Fund in Sofia, in 1998 over 1,000 not-for-profit organizations were functioning in more than 50 towns. The NGO Sustainability Index of 2000 confirms a growth in the number of “active” NGOs in the civil society sector to about 1,500 in 2,000, and to approximately 1,900 in 2003.

For a variety of reasons, including the dynamics of donor support, the financial viability of CSOs is by no means easy to reflect on a sustainability indicator. In the findings of a survey made by the Center for Social Practices in 2001, Bulgarian NGOs until then had managed to attract funds equal to about 1.5% of the country’s GDP, or the total of the national budget for the protection of the environment. In 1998, one-tenth of all foreign funding for Bulgaria, including investment and loans, was received by the civil sector. But the funding problem remains critical. The same study observes that in 2000 only 6% to 7% of Bulgaria’s NGOs received financial assistance of USD 50,000 or more. The concentration of funding in a small segment of the most influential NGOs significantly undercuts the viability of smaller NGOs. According to the 2000 NGO Sustainability Index, about 20% of the civil society organizations received some government funding and about 40% received funding from businesses. Some organizations collect membership fees and charge for their services, though the income generated is extremely small. Apart from that, opportunities for domestic fund-raising are limited, and local sources of philanthropy are almost non-existent. As put by the 2003 NGO Sustainability Index, “local financial and in-kind support for NGOs remains relatively low, although it is continuously increasing.” According to different

analyses, the reported rise in the NGO's own proceeds was 10% of their total income in 2001, compared to practically 0% in 1997 (CSP 2001). The financial viability of the civil society sector in the coming years will be heavily influenced by the increased potential of NGOs to absorb EU funding. At the same time, other major donors, including USAID, the Swiss Government, etc., are preparing to phase out their support in 2007, which is the prospective year of Bulgaria's entry into the EU.

Ethnic groups are also represented in civil society organizations in Bulgaria. Most ethnic, religious, and cultural minorities in Bulgaria, including Turks, Roma, Bulgarian Muslims, Armenians, and Jews, have become organized since 1989, setting up their own not-for-profit organizations and becoming involved in various civil society initiatives. The Turks stick mostly with the Movement for Rights and Freedoms and in 2000 set up a national NGO named "Evet (Yes)." The ethnic Roma have more than 150 active organizations, while the number of registered Roma organizations amounts to more than three times this number (LGI 2002). Some of the NGOs function as political discussion clubs and proto-parties. The Jewish community has become organized around two different national associations. Armenians form cultural and religious clubs in many communities.

According to LGI data, the Muslim, Catholic, and Protestant communities are among the most dynamic religious organizations in Bulgaria in terms of charitable activities, distributing aid and establishing local networks that assist the elderly and the poor. The Orthodox church remains the most influential religious group in the country.

The distribution of civil society organizations across the country directly affects their influence on the local political agenda. As shown by the LGS results of 2003, in about half of the municipalities there are no active civil society organizations. The majority of small municipalities (with fewer than 10,000 residents) have no active CSOs. The number increases with the size of the municipality, so that in municipalities with over 50,000 residents, the majority of locally active CSOs are non-local ones. The reported average number of CSOs per municipality is three.

Table 2.79

Number of Civil Society Organizations in Municipalities by Type [%]

	None	1	2	3	4	5	6 and More
Number of CSOs in municipality	44.4	12.2	15.9	9.0	5.3	3.2	10.1
Number of non-local CSOs active locally	74.6	11.1	7.4	1.6	1.1	1.6	2.6
Number of ethnic minority organizations	56.6	26.5	10.6	3.2	0.0	2.1	1.0

SOURCE: LGS 2003.

11.3 Civil Society Organizations in Local Public Life

The development of civil society organizations in Bulgaria after 1989, together with the massive explosion of independent media, are widely held to be the major elements in the formation of a modern civil society (CSP 2001). The same study restates the opinion of authoritative international analysts that the Bulgarian NGO sector “exerts a more effective influence over the development of the country than its counterpart sectors in neighboring countries, including Greece and Turkey.” The role of civil society organizations in the modern political agenda of the country has proceeded through several major stages. In the early 1990s, the two predominant types of NGOs to be formed were research institutes and centers known as “think-tanks,” and a group that covered a large spectrum of issues, from charities to professional guilds and environmental pressure groups (Dainov 2001). The economic crises of the mid-1990s caused a growing gap between democratic policy goals and the government’s and public’s massive abandonment of reforms. From 1993 on, it was the NGO sector that established itself as the “keeper of the democratic agenda” (Krastev 2002). Together with the independent media, the NGOs in that period became a public force that not only took part in the political debate, vigorously defending the democratic reform process, but also put a mark on the form in which public debate has developed.

The 2003 NGO Sustainability Index confirms the increasingly active role of Bulgarian NGOs in shaping the public agenda, although institutionalized mechanisms to ensure NGOs’ input in these processes remain underdeveloped. A considerable number of NGOs have established themselves as participants in the decision-making processes, cooperating with government bodies at various levels, participating in joint work with the legislative and the executive branches, engaging in advocacy campaigns, and gradually becoming an important player in Bulgarian political life. This has also led to some changes in the legislative and administrative framework to enable participation of NGOs in important policymaking committees. Besides the established practice of recruiting certain NGO experts as policy advisors on some parliamentary committees, the 2001 Parliament set up a permanent committee to address the needs of civil society and to secure the more efficient representation of their interests. This committee is meant to function as a bridge between policymakers and civil society. The committee’s public council includes 21 members representing 28 NGOs, able to participate actively in the legislative process by commenting on and drafting proposals (LGI 2001). Important proposals to emerge from this committee include the new Act on Lobbying, the new Electoral Code, and the Ombudsman Act, among others. As for the executive side, most ministries today maintain a continuous dialogue with NGOs in the relevant field, and involve civil sector representatives and experts in the decision-making process. Some good examples of this are the practices of the Decentralization Group in the Ministry of Regional Development and Public Works and the Fiscal Decentralization

Working Group in the Ministry of Finance. Proof of the increased role of civil society organizations in political life is evident in the case of the Bulgarian Media Coalition, which initiated the first public session of the Bulgarian Constitutional Court to review the newly adopted Radio and Television Act. As a direct result of this action, a drastic violation of the constitution has been eliminated—the breach of privacy in allowing authorities to search private homes for undeclared television sets. Notwithstanding this particular success, the general receptivity to NGOs' input is often dependent upon a great number of subjective factors, including the good will of the lawmakers (NGO Sustainability Index 2000).

NGOs have strengthened their capacity to initiate public debate on particular issues. A successful example is the anticorruption debate, which was initiated by a group of NGOs in 1998 and developed into a major nationwide public discourse (CSP 2001).

While cooperating with various government institutions, Bulgarian NGOs have so far succeeded in preserving their independent status and keeping the sector safe from the influence and control of government and politics.

Though NGOs have become increasingly influential at the central and regional levels, their role in local public life has been limited to working together with local representatives on specific issues and on larger projects and programs. However, certain newly institutionalized forms of policy dialogue between local representatives and NGOs are a positive development. An example is the Forums for Development, usually conducted at the municipal level around a specific local agenda, with local government playing a leading role and with the partnership of an NGO (CSP 2001). Another example is the various NGO-piloted initiatives to introduce the institution of the Ombudsman into Bulgarian decision-making machinery. However, apart from a small core of strong and influential NGOs with permanent staffs in Sofia and other big regional centers, the organizational and technical capacity of most civil society organizations at the local level is not yet sufficient to allow their meaningful participation in local political life. As noted by the 2000 NGO Sustainability Index, 20% of the NGOs do not have any computer equipment. They are mostly project driven and have a limited constituency. In addition, their ability to establish local networks for joint action is still not well developed in most cases. All this affects the status and work of civil society organizations in Bulgarian communities and cities. The opportunity to nominate candidates for municipal elections could have an impact on their successful participation in local political life.

11.4 **Contacts between Local Government and Civil Society Organizations**

As stated in the CSP report of 2001, “Cooperation between NGOs and local governments, however, has not yet been placed within any fixed and stable—let alone agreed

upon in detail—framework.” Cooperation so far exists in an institutionalized framework consisting largely of ad hoc initiatives that are either project- or problem-driven. Apart from the few exceptions already reported, a long-term vision of cooperation between local governments and the third sector has not yet developed beyond random joint actions. The complexity of the current relationship between local governments and civil society organizations (CSOs) is apparent in the LGS research findings as well. The results show that small municipalities with fewer than 10,000 residents have received almost no support from locally active CSOs (91.1%). The picture is considerably different in bigger municipalities. One-third of municipalities with over 50,000 inhabitants have been supported by locally active CSOs.

Neither local self-governments nor civil society organizations have yet shown an ability to tap the potential harbored by these organizations at the local level. Field studies have established a “definite connection between positive attitudes and the municipal administrations’ practical experience with NGOs: the longer the experience of working with NGOs, the greater the number of problems that have been solved and the greater the administration’s inclination to cooperate with NGOs” (CSP 2001). Strong associations of municipalities have already proven their capacity to stimulate cooperation between local representatives and CSOs. These include the National Association of Municipalities in the Republic of Bulgaria, the Foundation for Local Government Reform, and the well-established regional associations of municipalities. All of them have been extremely successful in bringing together local representatives, with a particular focus on mayors. The effect of such involvement is that mayors and members of municipal councils and municipal administrations become more open and politically sensitive to activities initiated and carried out by civil society organizations. Thus, it may be assumed that the good record of participation of local representatives in projects and other capacity-building events organized by the third sector will contribute to a more productive dialogue and more meaningful cooperation between local governments and local CSOs.

Meanwhile, the social environment that will encourage a new level of dialogue and cooperation between local representatives and the third sector organizations has already improved. Research conducted in 1999 by the MBMD polling agency concluded that: “An evolution of public opinion with respect to the nongovernmental sector is evident; this evolution finds its expression in the formation of ever clearer ideas of the sector’s role and importance among the young, the educated, and the residents of the larger cities, and in a growing lack of interest in the weaker social groups—the elderly, the poor, the uneducated, and the residents of villages.” The 2001 field work of the CSP, carried out in 40 sites, confirms that “virtually everyone who has had some contact with NGOs and their work has formed a strongly positive attitude towards the nongovernmental organizations, their activists, and their activities.” The 2003 NGO Sustainability Index has also confirmed the improved public image of the NGO sector

with the general public, as well as with the government units and businesses at various levels. This evolution of attitudes, if capitalized on by NGOs, may well turn into a strong force for an intensified and meaningful dialogue between local representatives and their electorates, and local NGOs.

With regard to service provision, NGOs are active in a wide range of fields, although there are legal restrictions on working in particular areas such as health and education, where specific professional requirements apply. Although local governments generally appreciate the value of the services delivered by NGOs, the percentage of CSOs contractually providing public services is still low. The LGS results show that in almost 90% of the municipalities assessed, the local CSOs do not contract any public services. The situation is slightly different in large municipalities. In 80% of municipalities with over 50,000 residents, the local CSOs do not contract any public services. The understanding of civil society as a service-selling “third sector” has not developed outside the big cities. NGOs are also rarely asked to provide services to businesses, partly due to the perception among businesses that NGOs are unprofessional (NGO Sustainability Index 2003). Since 2003, a change in the legislative framework has allowed local governments to contract out the provision of certain social services, including to NGOs. As the interests of urban dwellers in the countryside are mainly residential, it will be necessary for experts who commit to work in the countryside to become integrated into local community life. On the other hand, local capacity and expertise are gradually being developed.

11.5 Conclusion

Since its rebirth in 1989, the Bulgarian civil society sector has shouldered immense responsibilities in establishing an agenda, promoting public, civic dialogue, and upholding the reform in several major spheres, including decentralization and local government reform. Having found itself from the beginning at the very heart of public debate, the sector has had no choice but to gradually establish itself as a powerful player in the political arena. A key element in the history of Bulgarian NGOs was its sustained contact with the decision-making and policy-formation spheres (CSP 2001). Notwithstanding the many constraints, including political, institutional, organizational, financial, informational, and societal issues, Bulgaria’s civil sector has achieved undisputed sustainability. Its influence is ever increasing and it is widely accepted as a “permanent force in the country, actively representing citizens’ interest and providing needed services” (NGO Sustainability Index 2003).

The next area of NGOs’ activity will be working intensely with local communities. This will involve communities, media, government units, NGOs, and other local action groups in the process of designing and implementing various development

strategies, plans, and projects. Such cooperation presents both serious challenges and extraordinary opportunities. The nongovernmental sector in Bulgaria is calling for the intensification of transfer of experience, resources, knowledge, and personnel in the sphere of civic initiative. The rather disproportionate development of the NGOs (in terms of territoriality and the priorities of their activity) highlights the necessity of establishing working mechanisms for overcoming the “center–periphery” gap. An appropriate organizational frame is needed to successfully institutionalize contact between local representatives and CSOs. Even though the most active NGOs have already started to specialize (rather than chase all possible funding), they still continue to work in more than one field and lack coordination of their efforts. On the other hand, the opportunities are outstanding. A remaining challenge is the CSOs’ capacity to manage effectively the incoming EU accession funds in support of the civil society democratic agenda.

12. CITIZENS’ POLITICAL CULTURE

12.1 Political Interest and Knowledge

The level of participation of citizens in the management of public affairs at the local level has been a focus of concern a number of times in this report. We have discussed both how they elect their representatives and how, through them, they effectively participate in local politics. Throughout the report, factors influencing the direct participation of citizens in local political affairs have been observed: the previous political environment, the existing legal and administrative framework, tradition and experience, the margin left by political parties and other interest groups, etc. Citizens’ political culture is an extremely important element in this spectrum of factors. Indeed, this is the feature that draws the distinction between citizens as political actors and citizens as a pool of votes activated from one round of local elections to another.

The collapse of socialist rule in Bulgaria was as spectacular as in any other Central and East European country. But compared to other countries with long-established, democratic social and political cultures, Bulgaria’s route to modern political culture was by no means an easy one. As expressed by Dainov (2001), “although Bulgaria emerged out of the communist period with some clear points of democratic potential—such as the absence of nationalistic and ethno-centric temptations, sensitivity to issues of rights and exclusion, pronounced preference for parliamentary forms of government and so forth—the general structure of popular attitudes was not conducive to rapid democratization, to market reform or, more generally, to what later came to be known as ‘Europeanization’.” Indeed, until 1944, neither the 80% of the population that were

peasants who held on to traditional, group-focused patterns of communication and life-style, nor the weak political parties that were periodically dissolved by the Tzar, managed to formulate a coherent and stable political vision for society. After 1944, the mass political culture promoted by the communists further weakened the formation of modern democratic attitudes and values. Indeed, the dynamic transition from totalitarian socialist rule to democratic governance since 1989 required new skills of governance and political attitudes that had never been part of the country's "mentality" (Kapitanova and Minis 2003). In the changing context of dramatically modified relationships between political parties and governing institutions, people were left to formulate for themselves their new responsibilities as citizens. This process was especially difficult at the local level where there was not only one party that completely dominated policymaking, public opinion, media, trade unions, etc., but also one vision of how political life functions. In general, the breakdown of the old system not only changed the matrix of economic and political power in society, but was a true cultural revolution as well (Kapitanova and Minis 2003).

The ongoing battle to establish a new type of political culture in Bulgarian society is beyond the scope of this chapter. To do justice to Bulgaria's achievements, however, requires the highlighting of some significant changes in political attitudes. The shift in attitude towards market economy reforms is illustrative in this respect. Following the initial post-communist enthusiasm of 1992, 53% of Bulgarians supported the transition to a market economy, while 36% preferred a state-directed economy. By the spring of 1993, disappointment with the government led to a massive retreat from the reform agenda, and support for a market economy shrunk to just 13% in one year. In the summer of 1994, nostalgia for the communist past was reflected in 42% of Bulgarians preferring a state-run economy. But following the severe economic crisis of 1996, 63% stood for rapid privatization and market reforms (Mitev 1998). A number of studies conducted after 1996 confirm the formation of a new political value system, evolving away from dependent attitudes and rejecting the "entire package of socialism—human, reformist, or otherwise" (Dainov 2001). By the end of 1999, "most Bulgarians categorically understand that the European and, more specifically, the West European international context is best suited to the interests of the country. They also believe that Bulgaria should become an integral part of the community of those European countries that possess stable democracies and embody the most modern civilization trends" (Sofia: UN Development Program and the Friedrich Schiftung Foundation 1999). According to the results of the study, about 83% of Bulgarians support integration into the EU and 63% support membership in NATO.

The newly established political value system has already passed some serious tests. The most challenging were the difficult choice to support NATO in the Kosovo crisis of 1999 and the firm position to join the war on terrorism in 2001. A textbook example of the sustainability of Bulgaria's democratic political value system was the events related

to the victory of the former king-in-exile, Simeon Saxe-Coburg-Gotha (or Simeon II) and his National Movement Simeon II (NMSS) in the parliamentary elections of 2001. The former tsar did not succeed in sweeping away the rules of the multiparty game and found it impossible to escape the burden of being a prime minister after having won parliamentary elections in a republic. He had to follow the rules of the multiparty democracy in its political decision to transform the National Movement Simeon II into a political party, announced at the end of 2001. The fact that in the presidential elections of 2002 the movement failed to nominate its own candidate, but instead backed the UDF candidate like all center-right parties, indicates the resilience of the established political system. In the words of one analyst, Bulgarian political culture managed to survive the “populist onslaught,” and its political infrastructure, being “the country’s greatest achievement since 1990, had survived its greatest challenge” (Dainov 2001).

Notwithstanding these considerable achievements, there are issues to watch for in Bulgarian political attitudes. One important concern is the growing gap between popular expectations of the democratic system and the political elite’s own agenda (Ivan Krastev 2003). Antiparty sentiments are growing among Bulgarians. Currently, only 20% claim to trust political parties and to consider them instruments of change (Freedom House 2003). At the local level, trust in local representatives is decreasing. According to the results of a 2004 poll, the majority of local residents are more interested in their own businesses than in the activities of their local government. Other important concerns mentioned by analysts are “the residual fascination with the state,” particularly among citizens over 40 years of age, and the “feeling of dependency” sensed in the 2001 massive election victory of the tsar, who won on the election platform of “care” for everybody (Dainov 2001).

However, the above concerns are elements of the same positive political environment Bulgaria has managed to create and sustain. This includes a solid and stable democratic system, fair and free elections for more than a decade, peaceful post-election transition of power, etc. Developing a strong democratic system is not just a matter of creating the right political and legal framework, but also a matter of educating citizens in their rights, responsibilities, and opportunities. In this respect, creating a political culture guarantees the sustainability of the democratic process.

12.2 Local Political Participation

Citizens’ participation in local politics depends on a variety of conditions, including their level of political culture and political awareness, the quality and quantity of information available, citizens’ education and training, as well as their genuine interest in local affairs.

Most Bulgarian citizens exercise no other form of public participation in local political life than taking part in local elections. The LGS research established that the most popular action taken against decisions of local governments is to debate them in public meetings. Such meetings occurred in 60% of municipalities, and in almost two-thirds of the cases they were held at least three times. However, given the fact that such public meetings are usually ad hoc and often lack a structured framework, planning, and follow-up assessment, their potential to influence the local political agenda in a meaningful way remains limited. The second favorite method of showing public disagreement with local government is the collection of signatures. This action was taken at least once in 27.2% of the municipalities, but the practical effect of petitions remains weak, as there is no real machinery by which they could effect change. The results of the survey confirm that, in general, residents are not used to challenging decisions of local governments directly. Thus, challenges occurred in 20% of the municipalities assessed. Demonstrations and protests are the least popular actions against decisions of local governments.

Table 2.80

Percentage of Municipalities Where Actions against Local Government Decisions Occur

	No Action	Once	Twice	Three and More Times
Demonstrations	83.6	5.3	5.8	5.3
Collection of signatures	72.8	7.9	6.9	6.3
Protests	85.2	9.0	4.8	1.1
Public meetings	39.2	9.0	12.2	39.7
Challenges to decisions	79.9	9.0	4.8	6.3

SOURCE: LGS 2003.

The low participation of citizens in local politics has been confirmed by polls and other surveys. Informal channels for lobbying the mayor, municipal councils, or the administration on particular personal interests are generally considered the most productive. Face-to-face contact regarding administrative procedures, rules, and sanctions is still the preferred route, becoming an integral part of the culture. Such practices not only invite corruption, they also jeopardize institutionalization of the rule of law and effective administrative and judicial processes. Citizens are less likely to believe they might get institutional support from civil organizations or political parties on their particular concern. Mass media are also generally not thought of as a tool for exercising some influence on local political life.

The relative lack of public participation in local political life apart from electoral activities demonstrates that knowledge and experience in using the tools of direct local democracy are still underdeveloped.

12.3 Political Efficacy

The form of participation of citizens in local politics discussed previously has led to a low level of political efficacy. Thus, only 15% of respondents from a 2004 public opinion poll think that local residents can influence the local decision-making process. One-third are not interested in local affairs, as they are convinced that this will not change their personal situation. The majority is unaware of the opportunities available for participation in local political life beyond elections. Generally, respondents differentiate between the local and national political agendas only on specific issues. The central government is considered to be the focus of all problems related to unemployment, poverty, the inefficient legal system and rights protection, the high level of criminal activities, and so on. Local governments are blamed for not providing sufficient infrastructure, maintaining roads and streets, providing housing for the needy, and similar failings. It is widely believed that most public servants are corrupt. The majority of Bulgarian citizens believe that most politicians and administrators are corrupt (Vitosha 2003).

The general lack of information and experience with local politics partially accounts for these views. Most citizens are not aware of the possibilities they have to influence local political life and to provide some corrective to decisions or actions. They remain external observers to what happens in the community, as the information they get is mostly from the central media and concerns central government. In this way a vicious circle is perpetuated. One way forward is to involve the media, civil society, and businesses in a more vibrant discussion. Public discourse needs improved information and communication channels. The challenge now for both local governments as service providers and citizens as major stakeholders is to structure and intensify this dialogue.

12.4 Conclusion

Political culture remains a major challenge for the development of democratic processes in Bulgaria. The community of Western nations has recognized the political stability of Bulgaria and the country's progress in establishing democracy and a market-oriented economy, by including it in NATO and setting a target date of 2007 for its accession to the EU. Therefore, the time has come for Bulgarian citizens to realize their own crucial importance in the further development of the democratic process. Political activism beyond participation in elections or mass demonstrations requires a qualitatively new discourse. Even where local representative democracy dominates over direct participatory democracy, the opportunities and tools for citizens' involvement exist. The recent political profile of Bulgaria provides us with clear examples of more advanced forms of political culture. The discussion is no longer an abstract discussion of the democratic potential of Bulgarian citizens. Rather, it has become a concrete debate on how to

strengthen citizens' political culture in order to achieve the set goals of a political democracy. A major achievement of the transition so far is the fact that democratic institutions in Bulgaria have already recognized their enormous responsibilities with regard to strengthening citizens' political culture. But this alone does not suffice. Now there must be an intensified and structured dialogue between citizens and institutions that allows for setting concrete and measurable goals and is based on the clear allocation of roles, responsibilities, and tasks on both sides. The degree to which the government succeeds in improving the quality of life of Bulgarian citizens will be very important, as it will set the conditions for upgrading the political landscape with new incentives, new entrants, and new ideas.

13. CONCLUSION

During the last fifteen years of transition from communism, Bulgaria has managed to establish an autonomous system of local government that has fundamentally changed the profile of local politics. The strong presence of local government in local political life has not only brought new democratic perspectives and opportunities for citizens' participation in the management of their communities and cities, but has proved in practice the maturity and adherence to the values of freedom and democracy of Bulgarian society.

On the whole, the current situation and prospects for the future of local self-government in Bulgaria can be given a very positive rating. In spite of all the difficulties, including deficiencies in financial and/or political support that have negatively affected the local autonomy and decentralization process, Bulgaria has managed to successfully implement the first stage of public administration reforms. The model of local democracy and local politics thus far has been based on representative, rather than direct (participative) democracy. Since 1991, the record of four consecutive mandates of local government provides convincing evidence of the democratization of political and public life in Bulgarian communities and cities. Although it has taken some time, Bulgarian local politics has managed to separate itself from the national political agenda. With the transition to a mature democracy as a driving force, the current multiparty political system in Bulgaria is already characterized by stability, predictability, and the democratic representation of the political interests of minority groups. Although still largely dominated by the major political parties, the local political spectrum now involves a plurality of actors. Civil society organizations have come to play an increasing role in local politics, public discourse has become more intensified, and attempts have been made to secure a more structured environment for such a discourse.

What comes next in the local arena is, first of all, the completion of the move toward legal and fiscal autonomy of local self-government. Other challenges include reforming

the system of law enforcement and introducing efficient accountability mechanisms and rules to prohibit corruption among public servants and administrative officials. Substantial progress is required in the effort to build a professional, competent, politically independent, and transparent public administration at the local level.

Political debate has already shifted its focus to issues of incremental improvement of the existing structure of democratic institutions, based on securing transparency, accountability, an anti-corruption environment, and the rule of law. Constructing sustainable democratic institutions involves finding a more effective means of citizen involvement. The local media have yet to create a venue for influencing local decisions on the basis of an informed public debate. The next area of CSOs' activity will be to work intensely with local communities. This includes participatory involvement of communities, media, government units, CSOs, and other local action groups in the design and implementation of various development strategies and projects. Based on the 2003 election results, we have reason to expect new developments in the establishment of a much more diversified local political life. Despite the prevalence of representative over direct democracy in Bulgaria, the more politics becomes a contest between personalities and structural party capacities rather than divergent political programs, the more opportunities for local leaders will appear.

The following lists of strengths and weaknesses in specific areas are an attempt to present a simplified profile of the current state of local democracy in Bulgaria.

Strengths and Weaknesses of Local Democracy in Bulgaria

Autonomous Local Government

Strengths

- There is a wide ranging public consensus that independent and autonomous local government is of crucial importance;
- The legal autonomy of local self-government in Bulgaria has been established; self-governed communities are politically independent from the central state administration;
- Legal foundations governing the authority and activity of local government have been laid; laws are constantly refined and improved;
- Central administration has transferred considerable competencies to local self-governments;
- Interaction between regional and local government is structured; no noticeable problems have occurred;

- A fiscal decentralization program has been launched; corresponding legislative amendments have been made; local governments have increased their powers with respect to the determination of local fees.

Weaknesses

- Local government in Bulgaria functions under conditions of insufficient legal autonomy. The division of responsibilities between the central and local levels is not always clear;
- An anomaly exists between decentralization of service provision and the lack of corresponding fiscal decentralization, leading to persistent budget deficits. As a result, numerous powers of local self-governments have yet to be put to practice; local governments are often unable to handle their extended responsibilities, either financially or technically;
- Tax reform has not been completed; municipal authorities have very limited autonomy in determining their own tax revenues; and
- Municipal budgets remain unstable; state budget transfers and the system of subsidies do not allow local authorities to plan their expenditures and revenues effectively. The revenues of local self-governments are insufficient and not efficiently managed.

The Constitutional Character of Local Government

Strengths

- Bulgaria has introduced legislation to protect human, civil, and political rights that comply with established European standards and international agreements;
- The building of adequate administrative capacity specializing in the integration of minorities is in progress; and
- Some progress has recently been made in obtaining court judgments against violations of human rights.

Weaknesses

- Laws are not always consistently applied and law enforcement remains inefficient, slow, and liable to corruption, generating low trust in the judiciary;
- The integration of minorities in local political and social life remains limited, apart from some sporadic examples and initiatives; and
- Insufficient administrative capacity and some practices of direct interaction between local business and local government still serve as a basis for violations of

the law, which are ineffectively sanctioned because of the slow and unproductive judicial procedures.

Transparency and Accountability of Local Government

Strengths

- The laws requiring local representatives to account for their activities to local residents have been well designed and implemented in practice;
- Access to public information is guaranteed by special legislation and by municipal acts; established procedures are popular among citizens and stimulate regular requests for public information;
- Bulgaria has made considerable progress in establishing E-government on the municipal level. The majority of municipalities have advanced websites that are being regularly updated, although progress is slower in smaller municipalities;
- Contacts with media representatives are organized regularly and a structured system for the announcement of decisions of local representatives is in place;
- A number of acts have been introduced or amended to create a more stable anti-corruption environment, including the Law on Political Parties, the Public Procurement Act, the Act on Restriction of the Administrative Regulation and Administrative Control, etc.;
- The corruption index for local representatives and for municipal administrators in the period 2000–2003 has been fluctuating, exhibiting a slight tendency towards decreasing. Convictions for bribery-related cases began to occur, but the statistics may reflect lack of enforcement rather than low levels of bribery; and
- A Registry of Public Procurement and Tenders, including those made by the municipalities, was established in 2000 and is updated on daily basis; the control over public procurement is centralized and carried out by the Public Internal Financial Control Agency.

Weaknesses

- There is still inadequate transparency concerning municipal budgets and some of the major policies of the municipalities;
- Despite existing opportunities, local residents are not yet sufficiently well informed about the activities of local representatives, mostly because of the low level of interest in local affairs;
- The Bulgarian state is considered to have high levels of corruption and clientelism, but corruption at the local government level is a serious problem as well.

Especially prone to corruption are the following: municipal procurement, licensing of economic and trade activities, renting and tenders for the reconstruction of municipal sites, tenders for the privatization of municipal property, and the supplying of municipal premises with fuel and consumables;

- Despite some progress in this respect, there are still no efficient mechanisms and rules for holding public servants and administrative officials accountable for acts of corruption;
- The current model for the distribution of competencies clearly implies a leading role for the municipal council, but established practice and the need for efficiency often lead to the mayor being the dominant decision-maker;
- The influence of party fractions and the local branches of political parties on local politics is high, while the influence of the other local actors (businesses, NGOs, local media, churches, the trade unions, etc.) on local policy is perceived to be low.

Effectiveness of Local Government

Strengths

- The majority of local self-governments in Bulgaria are now fairly effective at designing and implementing long-term economic programs, development plans, and action plans for the activities of the municipal council and its committees, and deciding on matters concerning the municipality.

Weaknesses

- The limited fiscal autonomy of local governments is unanimously considered to present substantial impediments to the planning and controlling capacity of local government;
- The deficit of administrative competence is considered a problem for all levels of public administration, including local governments; despite legal and administrative changes, continuity in services and professionalism are seriously lacking;
- Local authorities still need to improve the implementation of their projects and to tighten control over their performance; and
- The decision-making capacity of local governments is often affected by opportunistic mayor–council relations, insufficient information, the weak administrative skills of some mayors, and the low bargaining skills of various party fractions that make a consensus difficult to reach.

The Representative Character of Local Government (Elections and Referenda)

Strengths

- Since 1999 local politics has achieved independence from the national agenda;
- A legal and administrative framework has been established that allows for effective democratic participation of citizens in local politics; and
- A tradition of free and fair elections has been established and maintained.

Weaknesses

- The turnout in local elections has been steadily declining, with the 2003 local elections reaching the lowest level since the beginning of the transition; and
- Local referenda as a form of direct participation of citizens in local public affairs have been held in only a few cases and with rather limited success.

Local Parties and Factions

Strengths

- The overall resilience of the established political patterns has been confirmed. The current multiparty political system in Bulgaria is characterized by stability, predictability, and the democratic representation of the political interests of minority groups;
- Markedly different from other Balkan countries, Bulgaria has not permitted the birth of extreme nationalist or xenophobic political parties or movements, but has encouraged adequate representation of minority interests according to the established rule of law and principles of democracy;
- The party system is underpinned by a high degree of political consensus and widely shared political goals: accession to the EU, completion of the reforms, and the attraction of foreign investment. Political debate has shifted its focus to the incremental improvement of the existing structure of democratic institutions, through the securing of transparency, accountability, an anti-corruption environment, and the rule of law;
- Although still largely dominated by the major political parties through both their local offices and central headquarters, the local political spectrum now involves various actors and represents a plurality of interests;
- Civil society organizations have come to play an increasing role in local elections through the nomination of candidates for local representative; and
- Public discourse has become more intensified and attempts to secure a more structured environment for it have been made.

Weaknesses

- In smaller municipalities, political parties have no branch offices; in an insignificant minority of municipalities there is no party represented;
- Citizens and civil society organizations have so far had a limited influence on local political life in Bulgaria.

Local Representatives

Strengths

- Minorities with an advanced political identity (the Turkish ethnic minority) are adequately represented in municipal councils;
- The level of education of local representatives has been high;
- A majority of representatives has practical political experience in working in local governance;
- One-fifth of all councilors and one-third of all mayors hold a position in a civic organization;
- Fundamental democratic values are shared by a majority of local representatives, including the values of free competition, protection of rights, private property, private ownership, and freedom of assembly; and
- New patterns of dialogue are emerging, which increasingly involve local businesses and civil society along with the decision-makers. This synergy becomes an important element of the new political culture of local representatives.

Weaknesses

- Women are not represented proportionally in elected positions at the local level; they are not as prominent at the local level as they are at the national political level and in professional guilds;
- Minorities with a weaker political identity (mainly the Roma) are politically underrepresented in local councils;
- There is a high threshold level of political experience, which makes it difficult for younger candidates to launch a career in local politics. Having party credentials and previous experience in local government affairs are key factors assuring participation in local political life;
- A basic challenge for the political system is the low credibility of the executive and court systems and of individual politicians. A particularly serious concern is the low trust in courts; and
- Barriers to informed decision-making include the relatively underdeveloped communication channels, the insufficient ability to process information, the

lack of data analysis skills, and the usage of limited rather than diverse sources of information.

Responsiveness of Local Governments

Strengths

- A commitment exists to create a responsive and transparent local government. Steps have been taken to establish a clear delineation between the political and administrative levels of government, to improve the transparency and accountability of administration, and to set transparent criteria for the recruitment and promotion of civil servants. Innovative practices in this area are the Forums for Development and the introduction of quality management systems in local administrations;
- A large majority of citizens considers that municipal administrations provide services in an easily accessible format. The level of satisfaction with the quality of public services at the municipal level has risen 15% compared to 2003;
- One-third of the local civil society organizations have participated in the decision-making process of the local government;
- There is a generally high level of accessibility of mayors in Bulgaria; and
- Public gatherings are an important means of communication of local governments with citizens.

Weaknesses

- Central and regional administrations still exert a high level of influence over the decision-making process at the local level; and
- The needs and expectations of citizens go far beyond what local governments can provide; the sense of inequality and injustice persists among the Roma minority.

Local Media

Strengths

- The media are becoming a strong influence in Bulgarian society and have expanded since 1990 both quantitatively (number of media outlets and titles) and qualitatively (protection of freedom of speech and pluralism in representation); and

- The monitoring of local public life by the media has an established tradition in Bulgaria. In a large majority of municipalities there is at least one newspaper dealing with local public life. In most cases, the local or regional print media cover municipal public life. The national media mostly cover events in the big municipalities, except when some extraordinary local event occurs. ·

Weaknesses

- The role played by the media in facilitating communication between local governments and citizens in order to resolve specific local issues remains limited. Although increasing in range, coverage, and professionalism, the local media have yet to create a space where a meaningful influence on local politics might occur;
- The local media mostly present the views and statements of local representatives and announce facts and decisions. This leaves insufficient room for an informed public debate on issues of local importance. The media in small municipalities become more engaged in municipal political life during elections or when scandals arise. In large cities the regional and national media tend to predominate;
- Given Bulgaria's diversity, the representation of minorities in both national and local media remains insufficient;
- Compared to the print media that successfully divested themselves of direct governmental control, the electronic media (Bulgarian National Television and Bulgarian National Radio) are still not completely free from interference by the state; and
- The growth in number of print media outlets and of radio and television stations has not been matched by a growth in the advertising market, thus leading to the segmentation of media markets.

Local Civil Society Organizations

Strengths

- Bulgaria's civil sector now has undisputed sustainability, increasing influence, and is widely accepted as "a permanent force in the country, actively representing citizens' interests and providing needed services;"
- Ethnic groups have found representation in civil society organizations in Bulgaria; and
- A considerable number of civil society organizations have established themselves as participants in the decision-making processes, cooperating with government bodies at various levels, participating in joint work with the legislative and

the executive branches, and engaging in advocacy campaigns. Certain newly institutionalized forms of policy dialogue between local representatives and civil society organizations have already begun to appear, e.g., the Forums for Development and the institution of ombudsman.

Weaknesses

- Although civil society organizations have become increasingly influential at the central and regional levels, their role in local public life is limited to working together with local representatives on specific issues and on larger projects and programs;
- Bulgarian legislators have not yet succeeded in providing favorable conditions such as tax benefits that would encourage businesses to support civil organizations;
- Local financial and in-kind support for civil society organizations remains relatively low, although it is continually increasing;
- A stable, institutionalized framework for cooperation between local governments and civil society organizations has not yet been created; and
- The percentage of civil society organizations contracted to provide public services remains low, with some exceptions.

Citizens' Political Culture

Strengths

- Clear examples of the developing political culture can be observed in the most recent political profile of Bulgaria. A new political value system has been formed, one that has evolved away from dependent attitudes and rejects all forms of socialism; and
- Democratic institutions in Bulgaria have already recognized their enormous responsibilities with regard to strengthening citizens' political culture.

Weaknesses

- There is a growing gap between popular expectations of the democratic system and the political elite's own agenda. Antiparty sentiments among Bulgarian citizens are increasing and trust in local representatives is decreasing;
- Citizens' participation in local politics remains weak. The relative lack of public participation in local political life apart from electoral activities demonstrates that knowledge and experience in using the tools of direct local democracy are still underdeveloped.

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NOTES

- ¹ The Internet address of the NAMRB is <http://www.namrb.bg>.
- ² The Internet address of FLRG is <http://www.flgr.bg>.

Report on the State of Local Democracy in Estonia

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1. INTRODUCTION

1.1 The Local Government System

Estonia is known for its success in the transition from socialism and for being included in the first wave of EU accession in 1997. Departing from the ideology of a managerial and hollow state, Estonia has chosen a very radical version of economic transition. The role of the private sector in Estonia's GNP is 75%. Income from economic activities (i.e., the provision of services) is only 4.26% of total revenues. Government, including local government, has devolved as much activity as possible to private legal subjects, in which public authorities are shareholders or foundations (Sootla et al. 2002). This approach has caused rather fast development rates and also a rather fast and deep recession.

The price of such a rapid transformation was an extremely unequal development of the regions, an increasing gap between large towns and remote areas, and a rather high rate of exclusion of disadvantaged employees and especially their descendents from active economic and social life (Table 3.1).

The increasing disparity among local communities in their capacity to implement projects, programs, and services has become the most important obstacle to developing a balance of central–local relations.

According to the *Wall Street Journal*, Estonia is sixth among countries with the most economic freedom (BNS 2004) and has the lowest rate of corruption of all Central and East European (CEE) countries. Estonia is also rated as the highest among CEE countries (0.37, as compared with 0.25 in the Czech Republic) according to the Gini index, which defines the proportion of income of the most and least affluent inhabitants (Vetik 2003). The radical nature of the transition in Estonia caused many other rather sharp contrasts or contradictions, e.g., in the development of local governance.

Estonia is the smallest CEE accession country, with a population of 1.35 million, but with a rather extensive territory (43,000 square km.) compared to Holland (with a population of fifteen million) or the Slovak Republic (five million). This explains an important aspect of the organization of local life in Estonia. It has a very low population

Table 3.1
Regional Gross Domestic Product at Current Prices (2000)

	Northern Estonia	Central Estonia	North-eastern Estonia	Western Estonia	Southern Estonia	Total
GDP at market prices, million kroons	52,199	6,127	6,643	7,878	14,531	87,379
Contribution of regions to GDP, %	59.8	7.0	7.6	9.0	16.6	100
Mean annual population	525,564	144,124	179,519	166,194	354,114	1,369,515
GDP per capita, kroons	99,320	42,511	37,006	47,402	41,036	63,803
GDP per capita, % of Estonian average	155.7	66.6	58.0	74.3	64.3	100

SOURCE: Regional Statistics of Estonia 2002; Statistical Office of Estonia 2003, p.147.

density, at 31 people per square kilometer;¹ however, more than one-third of the population is concentrated in the capital city, Tallinn, where 75–80% of all investments in Estonia are made.

Extensive distances and geographical variation (e.g., the existence of large wetlands) pose particular challenges for the maintenance of a communications infrastructure. True, the electronic infrastructure of Estonia has reached the level of developed European states. Nevertheless, small communities have low capacity in this regard, and amalgamation would endanger the integrity of community ties and accessibility of services.

The second specific challenge derives from Estonian history. Estonia acquired statehood only in 1918. Local government emerged in the mid-nineteenth century as institutions for the self-management of social issues under foreign (Russian) central rule and under the dominance of non-Estonian (Baltic German) regional elites (landlords). Hence, modern Estonian values of governance and local government mirror this implicit opposition—and even hostility—of the community to state structures, which are seen as both alien and alienating. Paradoxically, a defensive (as opposed to cooperative) stance towards the central government and bureaucracy was considerably strengthened during Soviet rule. At the same time, Estonians have close contacts and emotional affiliations with neighboring Nordic countries. During the Soviet regime, Nordic countries represented the dream or aspiration of quality of social life for the Estonian people. As Estonians were developing local government in the 1990s, many solutions were adopted from this region. But the system of local governance in Finland, and especially in Sweden, was historically rather different from that of Estonia. In Finland, the animosity between local communities and central government was not so great, because, although within the Russian empire, the administrative elites at both levels were staffed by natives. Swedish local government has very deep democratic traditions of governance and consensual balance in the dimension of central–local relations. The particular model of autonomous local government (Montin 2000) adopted in Estonia, combined with the spirit of hostility to central authorities, have produced rather specific controversies in the Estonian local government system.

A third specific feature of Estonia is the existence of a large Russian-speaking minority (35% of the population) living in concentrated communities in Tallinn and in large towns in the northeastern part of Estonia. In the latter region they form the overwhelming majority. In Narva, which borders with Russia, the proportion of Estonians is around 3%. In addition, the majority of Russian speakers do not have Estonian citizenship: the proportion of non-citizens in the Estonian population is 12% and citizens from the Russian Federation comprise 7%. Of all Russian-speaking residents, 12% have Estonian citizenship through naturalization (<http://www.mig.ee/eng/CMB/>). This causes ethnic and citizenship problems to be especially pronounced in community life.

1.2 The Formation of the New Local Government System

A cornerstone of Estonian local governance—the municipality—was abolished by the Soviet regime. Local life was organized around production units: collective farms in rural areas, enterprises in urban areas. This took a heavy toll on local communities. The formation of a new system began at the end of 1989, with the adoption of the Local Government Act (LGA). This reform destroyed the Soviet politico-administrative hierarchy. It was targeted to the fast devolution of tasks and resources from central authorities to democratically elected local authorities, which were elected as early as 1989. First, the municipal level of local government was restored. The division of competence between regional and municipal governments was defined, and the devolution of resources to autonomous budgets of the municipalities began. It involved a rather collaborative process between the tiers of government. After the presentation of a development plan, local communities would receive a mandate for government from a special commission of the Supreme Council of Estonia. The devolution of tasks was quite effectively linked with an evaluation of the actual capacity of the local communities. Thus, the foundations for an Estonian local government system were established and legitimized far before formal state independence.

After Estonia achieved independence in 1991, the Constituent Assembly began to work out a new system of government that departed from the 1937 constitution of pre-war Estonia. In the same year, intensive reform of the local government system was launched. This reform was largely aimed at increasing the capacity of the municipal level of government and severing the dependent relationship of regional self-government on the central government. During this period, a non-democratic, soft authoritarian regime prevailed in Estonia. That is, many of the initial ideas of local government reflected the previous situation (Sootla 2001), including the general attitude of central government toward the autonomy of regional government and elites.

Regional elites in the Soviet era had rather important potential power, being cohesive vis à vis the new and weak central political elites. In this distribution of actual power, the new political elites saw a serious danger to fast democratization and market reforms. This was the main reason why the constitution contained an implicit statement on the abolition of regional tiers of self-governing authorities. The Estonian Constitution adopted in 1992 provided firm guarantees for autonomous local government.

The new LGA adopted in 1993 was influenced by very specific situational variables, including, above all, the deep economic and social crisis and the power struggle between the new and old elites. The minister of the interior, as the main architect of the new act, described the institutional framework created by the act as a temporary one bearing many of the traits of a “childhood disease.” The most contentious idea was the abolition of the regional tier of self-governing authorities and the creation of a regional state administration based on specialized field services. The county governor would only play

the role of a “proxy hand” of central government, coordinating the units and supervising the legality of actions and the enactment of legislation.

Besides, the authors of the act considered the devolution of tasks of the central government to local authorities as a kind of unloading of its responsibilities and spreading of the political and fiscal risks of the economic and social crisis that had peaked in 1993. Local authorities did not resist these intentions, because they saw in it the possibility of increasing the amount of local government assets that would soon be privatized. The illusion that emerged at the end of the 1980s of an immanent benefit from self-governance was still strong among local elites. This enabled a one-way devolution of assets and assignments without economic and demographic calculations, which soon resulted in a crisis of capacity. This has been characteristic of all transition countries that launched decisive reforms based on democratic values.

In 1993, a quite centralized system of taxation was developed that was rather incongruent to the system of autonomous policymaking and spending practices of local government. The Local Taxes Act, adopted in 1994, was not able to raise revenues more than 0.8% to 1%. A system of revenue equalization was created to compensate for the capacity gap. It was developed with the aim of creating incentives for local authorities to increase their revenue base. The hidden agenda of that system was the neutralization of pressures from local authorities to receive compensation for their actual expenditures according to established indicators.

After the controversies regarding the new system had become obvious, intensive efforts were made to amend the existing acts. But the elaboration and legitimization of such proposals met with serious difficulties at the institutional level. During 1993–96, the leading agency of local government development was reorganized twice and finally became a department of the Ministry of the Interior. This Ministry was by definition the “police ministry,” where issues of PA building had secondary importance. Besides, since there were *ten* ministers in charge of the ministry between 1993 and 1999, they were not able to provide sufficient political input to accomplish serious reforms. Only minor amendments were made.

Attempts at reform became especially active during the minority cabinet of M. Siimann (1997–99). A commission chaired by the Minister of Regional Affairs (without portfolio,) P. Aru, elaborated a comprehensive conception of local government reform.² This conception tried to achieve a balance between the democratic dimension and the concern for capacity and efficiency, as well as balancing central–local relations. As this government was very consensual and conducive to dialogue, local government unions and other constituents had rather easy access to decision-makers in government. Unfortunately, this cabinet did not have sufficient decision-making and implementing capacities and the reform was not even launched. Furthermore, the legitimacy of the idea of autonomy and the interests of the new local elites were by this time so dominant that later attempts to create such a balance failed.

The next lap of reform started in 1999 under a new coalition, which was the political successor of the coalition that adopted the Local Government Act in 1993. (Also, Prime Minister M. Laar took office for the second time.) Instead of the further development of autonomy and balance, the coalition launched reforms with a clear centralist spirit.

On the one hand, county governors were *de facto* politicized and had become highly dependent on their masters at the central level. On the other hand, a comprehensive plan for the amalgamation of local government was developed. It presumed a sharp reduction in the number of LG units, from 245 to 80 or 110 units. The Aru commission had also proposed such amalgamation, but it was to be voluntary. The new reform was rather smooth at the initial stages, but stopped because of cleavages in the coalition, which finally dissolved.

New attempts at reform in central–local relations have been made since 2003. The new conception of regional governance, aimed at creating a second self-governing level, has been developed. This reform generated substantial conflict over the LG issues between members of the coalition. The recent reform makes the formerly powerful governor into a weak official subordinated to the minister of regional affairs, appointed for a five year term after an open competition (a situation having considerable political impact). If the minister finds that the governor has not demonstrated enough cooperation, he or she must resign.

1.3 The Internal Structure of Local Government

The configuration of vertical power in the Estonian system of governance is a “split hierarchy” that R. Bennett (1997) suggests is specific to Central and Eastern Europe. This is a combination of autonomous and fused³ (integrative⁴) models of local democracy, where a strong state hierarchy reaches the regional level but not the municipal. Self-governance exists only at the municipal level and has wide autonomy within its area of competence. The legal status of local government is that of a territorial public corporation, i.e., all its residents are members of that legal corporation.

The institutional form of local government in Estonia is characterized by Mourizen and Svava (2000) as a council–mayor balanced model, where legislative and fiscal responsibilities are clearly separated from implementation and development. The executive is also rather independent formally, while council maintains political oversight through various checking mechanisms. Estonian legislation establishes only the framework of local institutional structures and procedures, so the division of authority between institutions and their concrete tasks can differ substantially in individual communities. Analysis of these configurations is one of the aims of our research.

Estonian local government is small in several ways. Firstly, the size of the local community is rather small in terms of managing the roles assigned (Table 3.2). Half of the municipalities have fewer than 2,000 habitants.

Table 3.2
Number and Percentage of Municipalities by Population

Population of Local Community	Number of Residents	Percent of Population	Number of Municipalities	Percent of Municipalities
less than 1,000	23,653	1.7	33.0	13.7
1,000–1,999	143,510	10.5	98.0	40.7
2,000–4,999	217,889	16.0	69.0	28.6
5,000–9,999	178,532	13.1	27.0	11.2
10,000–49,999	231,311	17.1	11.0	4.6
50,000 and more	567,691	41.6	3.0	1.2
Total	1,362,586	100.0	241.0	100.0

SOURCE: Calculations based on the data from ESO (online). <http://www.stat.ee/>.

Secondly, the number of services directly provided by local government is quite small. Public management doctrine accepted in Estonia assumes that all activities not linked with the exercise of authority, and ones that could be managed in economically feasible ways by the private sector, should be delegated or devolved away from LG to the private sector. Revenues from economic activities formed only 5.64% of all revenues in 2002. If LG has invested in a sports hall, for example, the hall would be privatized as soon as it was economically profitable. (For debates on the concept of decentralization, see Leemans 1970, Pollitt et al. 1998, and Wright 1996.)

Thirdly, the local administrations have a rather limited number of civil servants (Table 3.3).

Table 3.3
Size of the Local Administration as a Proportion of the Population
in Local Communities [%]

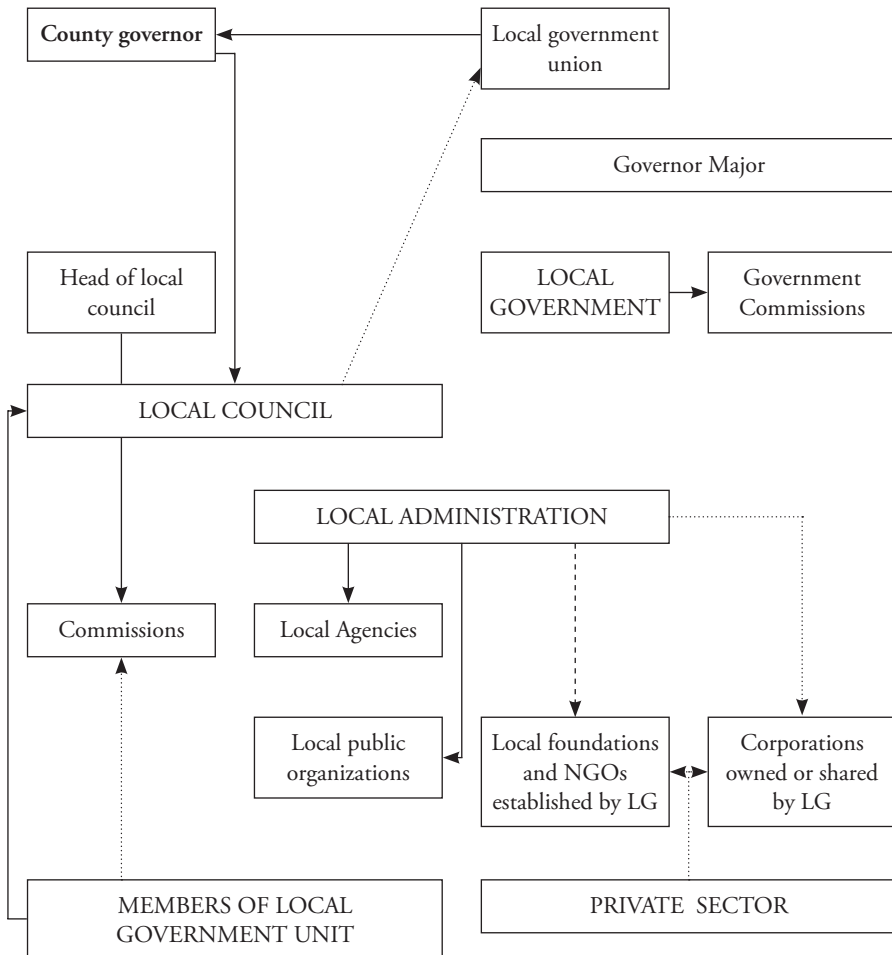
Number of Civil Servants	Population Size of Local Community				
	less than 1,000	1,000–1,999	2,000–4,999	5,000 and More	All Municipalities
1–6	53.8	13.0	2.3	—	10.9
7–10	42.3	70.0	25.0	9.4	40.4
11–15	—	12.0	50.0	5.7	—
16–25	3.8	4.0	21.6	54.7	19.9
25 and more	—	1.0	1.1	30.2	6.7

SOURCE: LGS 2002.

A “local bureaucracy” really only exists in the largest (5,000 and more habitants) and in some of the medium sized municipalities.

Figure 3.1 characterizes the main actors at the local level and the type of relationship between them.

Figure 3.1
The Institutional Structure of Local Government in Estonia



SOURCE: Sootla 2002.

1.4 The Legal Foundations of the Local Government System in Estonia

The main pillars of local government autonomy were introduced by the Constitution (Põhiseadus ja Põhiseaduse Assamblee) in 1997. The Estonian parliament (Riigikogu) also ratified a European Local Government Charter on September 28, 1994. In addition, eight special acts on LG were elaborated and adopted:

1. The Local Government Organization Act (LGA), adopted on June 2, 1993. From 1994 to 1999, 26 amendments were made to this act;
2. The Rural Municipality and City Budgets Act, adopted on June 16, 1993. Provisions concerning borrowing by a municipality are considered to be the most important amendments to the act;
3. The Rural Municipality and City Budgets and State Budgets Correlation Act, adopted on December 13, 1995. Since 2001, interrelations of central and local budgets have been regulated by the State Budget Act;
4. The Local Taxes Act, adopted on September 21, 1994. The act largely followed the text of a similar act adopted in 1938, and did not take into account the substantial changes that had occurred since that time;
5. The Territory of Estonia Administrative Division Act, adopted on February 22, 1995;
6. The Local Government Council Election Act, adopted on May 29, 1996;
7. The Act of Cooperation of Local Government Unions, adopted on November 6, 2002; and
8. <https://www.riigiteataja.ee/ert/act.jsp?id=224392> regulates the status and activities of regional and national local government unions.

Local governments are also regulated by the following four very important general acts:

1. The Government of the Republic Act (GRA), adopted in December 1995, regulates the activities of government agencies, including the functions of county government in relation to the LG, as well as the right of LG unions to influence the nomination of the county governor;
2. The Public Service Act, adopted on February 15, 1995;
3. The Act of Administrative Procedure, adopted in 2001, regulates legislative as well as administrative activities, first of all through more exact definition of those activities and by providing more exact mechanisms in the implementation of those actions by local authorities.

4. The Administrative Cooperation Act, adopted in 2003, regulates relations between local authorities and delegates its tasks or obligations as allowed by the law to the other units or subjects.

There are numerous special and sectoral acts that regulate different aspects and links of the local governance system. For instance, the Principles of Property Reform Act introduced the institution of municipal property and Rules of Municipalization of the State Property were adopted in 1992. It was last amended in 1999. Legal issues in the development of local government in Estonia are more thoroughly analyzed in comments on the Estonian Constitution (Eesti vabariigi 2002) and by the expert Commission of Amendments of the Constitution.

1.5 The Indicators Project in Estonia

The survey that produced the core data for the current study was carried out from December, 2002 to January, 2003. This was quite a complicated time for a survey, because it took place between two elections: local elections in October 2002 and parliamentary elections in early March 2003. Because they were busy organizing election campaigns, many council members and top officials had no time and no good will to answer the questionnaire. Also, new local councilors felt they lacked enough experience to answer some of the questions, which caused a high percentage of missing values in the database.

The sampling procedure was carried out on the basis of statistical advice from the Tocqueville Research Center (T-RC). A list of municipalities obtained from the Statistical Office of Estonia (ESO) served as the sampling frame. According to the research design, two different sub-samples were compiled. The sampling for the local councilors' survey (LRS) was done by T-RC according to population size. If a municipality was sampled, all local councilors of that municipality were included in the study. The sample included 120 municipalities of a possible 241 ($n = 1,878$). For the administrative officers' survey (LGS), at least two top officials were selected from each of the 241 municipalities in the sampling frame. The sub-samples do not offer much in all cases, as for some municipalities we have LGS data but no LRS data, if this municipality was not sampled for the councilors' survey.

Despite the complicated timing, we succeeded in meeting the response rate standard, with a rate of 56.5% for the LRS survey and 76.4% for the LGS survey. Table 3.4 shows the distribution of samples across the regions.

An international format of LRS and LGS questionnaires was used, with minor adaptations derived from the peculiarities of the Estonian LG system. For example, Estonia does not have an elected mayor. Nongovernment organizations (NGOs) cannot

present their lists at local elections. Instead, a list of local citizens can be composed. Some changes were made given the extremely small size of Estonia and Estonian municipalities. These minor amendments have been necessary and will not harm the comparability of the data. The Estonian version of the questionnaires has been retranslated into English and checked for correctness and adequacy in the T-RC. The LRS contains 68, and the LGS questionnaire 95 items.

Table 3.4
Distribution of Sent and Received Survey Samples by Region

Regions	Included Counties	Survey Samples			
		LRS Sent	LRS Returned	LGS Sent	LGS Returned
Western Estonia	Hiiu, Saare, Lääne, Pärnu	307	128	66	51
Northeastern Estonia	Lääne-viru, Ida-Viru	378	190	41	54
Northern Estonia	Harju, Rapla, Järva, Tallinn	528	278	102	65
Central Estonia	Jõgeva, Viljandi, Tartu	282	234	106	66
Southern Estonia	Valga, Võru, Põlva	244	153	40	36
Total		1,739	983	355	272

SOURCE: LGS 2002, LRS 2002.

LRS questionnaires were taken to the sites to test administrators and were gathered again from the municipal office a week later. LGS questionnaires were sent personally by post to the sampled respondents and returned in the same way to the research group.

In addition to the original survey data, governmental databanks and other polling data have been used to analyze the state of local democracy. The National Electoral Committee and the Ministry of the Interior have provided most of the statistics employed in the current report. Different opinion polls and research reports add valuable primary information for our investigation as well.

The survey data are analyzed against a number of background variables. Although data limits restrict this effort in some cases (especially with LGS data), we succeeded in finding interesting evidence for many tendencies and theoretical assumptions. The more commonly used background variable was the size of municipality. Socioeconomic issues were also tested against the geographical position, namely, against the distance from the capital. Table 1.2 shows the population size categories in use and illustrates their statistical weight in the Estonian population and in the administrative structure.

2. AUTONOMOUS, CONSTITUTIONAL, EFFECTIVE, AND ACCOUNTABLE LOCAL GOVERNMENT

2.1 Autonomous Local Government

The main aim of all local government reforms in Estonia in the 1990s and early 2000s was advertised as the further delegation of roles and assignments of government to the exclusive responsibility of local authorities. Even the need to merge LG units, i.e., the centralization of local government, was justified by the statement that the low capacity of these local units did not enable further decentralization. It seems that local autonomy has the highest rate of political support in Estonia.

In formal terms, Estonian local government has considerable autonomy in all dimensions. However, formal autonomy did not ensure real autonomy for a majority of local communities over the most important aspects of local life (Sootla and Vergun 2002). During the second part of the 1990s, a majority of constituents became aware that the democratic value of LG (self-governance) had been promoted at the expense of economic values and considerations of capacity. It is widely accepted now that the priority is to develop capacity, thus ensuring an increase in the efficiency and effectiveness of local communities. There are two contending approaches on how to realize these objectives. One promotes a centralizing strategy, primarily through the amalgamation of LG units and the development of partisan politics along national lines at the local level. The other view insists on the further radical decentralization of resources for the purpose of increasing local capacity. Neither of these approaches actually overcomes the dichotomy of democracy versus efficiency that was characteristic of the 1990s, because they rely on simple distributive effects in the complex system of central–local power. There is still no general awareness that the crucial reason for discrepancies is unbalanced vertical power between the central and local authorities. A solution to the impasse of this dichotomy would be to introduce balances in central–local relations, first of all by redefining roles at the regional tier of governance.

Our survey as well as previous analyses of recent developments have confirmed this general diagnosis and enabled more detailed explanations of the controversial results of local autonomy in Estonia. Intergovernmental relations are the most problematic in comparison with other dimensions—four of the six most serious problems identified by local officials were in this domain.

2.1.1 Legal Autonomy

Autonomy in the legal sense can be measured as the extent to which:

1. it is guaranteed by higher general acts, and in the first instance, by the constitution;
2. the central government only establishes the framework principles for managing local life; local authorities should have considerable discretion in developing the normative context for institution building and finding solutions for local issues;
3. new competencies and assignments to LG are delegated with general consent and through participatory decision-making;
4. the competencies and responsibilities are divided between tiers of government according to clear principles ensuring that the limits of those competencies and responsibilities are understood in a similar way by all tiers of government.

2.1.1.1 *The Paradox of Constitutional Guarantees*

The main pillars of autonomy were enacted by the constitution of 1992. These were: an independent representative council (Ch. 156), an independent budget and the right to levy and collect taxes (Ch. 157), guarantees that the state cannot impose supplementary functions without funding from the state budget (Ch. 154), the right to form unions and joint agencies with other municipalities (Ch. 159), and the provision that the boundaries of municipal units shall not be altered without considering the opinion of the municipalities concerned. While these guarantees are meant to protect local autonomy, they can not ensure it in practice. Autonomy is not an independent variable: the extent to which it exists and the ability to retain it depend on the distribution of power and consequently on other resources between tiers of government. In cases where the general context does not support the development of real autonomy, these same constitutional provisions tend to become constraints in the development of more balanced central–local relations.

2.1.1.2 *Discretion in Issuing Own Legislation*

Estonian legislation mainly establishes framework principles and norms for local legislation. Exceptions are the regulation of democratic processes and institutions at the local level, on the one hand, and technical standards and procedures, on the other hand. Thus, the Local Government Council Election Act is the only constitutional

act regulating LG. Also, the Local Government Organization Act (LGA) contains the most detailed provisions concerning the formation, structure, and working procedures of council and the status of its members. The LGA has only a few general provisions concerning LG structure. Most of the actual life of the community is regulated by acts adopted by local councils themselves. Local government has its statutes and numerous orders, regulations, guidelines, etc. For this reason, local officials do not see meaningful restraints against rearranging and restructuring local governance. Hence, the main problem is to ascertain whether these acts are in congruence with higher laws and the basic rights of citizens. This dimension of autonomy (i.e., legislative supervision) will be considered in section three.

In any case, higher authorities cannot directly intervene in LG affairs. The county government has the right of *ex post* legal supervision over adopted acts and—after disagreement with local authorities concerning the legality of an act—can appeal to the Legal Chancellor. The latter can only express an opinion and make a proposal to resolve the controversy. Ultimately, only the court has the authority to impose a resolution to a disagreement. Also, the State Audit cannot impose control on local governments, except over the use of money transferred to local authorities for special and targeted use.

Local governments have substantial autonomy in issuing legislation on governance and management. Acts of the central government have established detailed and extensive standards of service and activities, rules, quality indicators (safety), etc., that are obligatory for everyone who is delivering or preparing to deliver these services. In the last few years, many of these standards were adopted in order to comply with EU requirements, causing considerable difficulties, especially at the local level.

Local (relatively conservative) Estonian culture is generally supportive of these standards. However, the survey revealed that these centrally established standards and norms cause rather important problems at the local level (mean of 4.6 on a 7-point scale). Two reasons can explain this dissatisfaction. First, the central government establishes universal standards that can be too rigid for one type of municipality and too formal for others, making compliance burdensome and sometimes senseless. For instance, it is impossible to apply the same norms and standards to large schools as to small village elementary schools. In localities which deliver specific services it is extremely difficult to follow those standards. For other, smaller localities, the majority of services and standards are not relevant. This may explain why the smallest local governments expressed less trouble with those standards than the largest ones (the difference in intensity of the problem was 0.52).

A second reason for dissatisfaction is that the majority of these standards are established by government or ministerial legislation that is frequently not only universal but also technically too complicated, subject to easy change, and controversial. An example of a technical regulation is the Law on Accounting, which local governments should and usually do strictly follow in their budgeting process. The Ministry of Finance

has established the format of an annual budget report. Problems emerge not only because the required format changes almost annually, but because the LG must fill in all items, sub-items, and sub-sub-items of the budget classification, marking “zero” on the majority of them. Local officials complete these forms knowing that the likelihood of them being analyzed with the aim of improving the process is extremely small.

2.1.1.3 Two Sides of a Coin: The Assignment and Interpretation of Roles

Estonian local governments have extensive legal autonomy, except for the two cases mentioned previously. This is confirmed in our survey results (see Table 3.5). However, our survey revealed that two other basic premises of local autonomy are rather underdeveloped in Estonia (Table 3.5). The delegation of too many responsibilities without supplementary resources and capacity considerations to local authorities by central government was defined as the most urgent problem of local governance.

Table 3.5
Local Officials’ Assessment of Intensity of Problems
in Intergovernmental Relations (7-Point Scale*)

Problems	Urgency of the Problem	Assessment of importance of the Problem
1. Too many responsibilities assigned to the municipality by central government, given present resources	1	5.91
2. Unclear division of responsibility between local and central authorities	4	4.67
3. Norms and standards imposed in connection with responsibilities assigned by central government are too restrictive	5	4.59
4. Too many restrictions on reorganization of local organizations	16	3.04
5. County government and regional offices intervene into LG affairs	21	2.65
6. Absence of intermediate level council between local and central representative authorities	22	2.51

NOTE: * 1—not important at all; 7—very important.

SOURCE: LGS 2002.

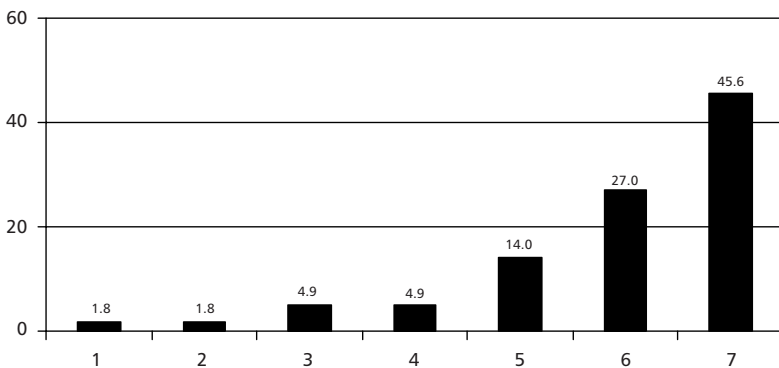
Dissatisfaction with mechanisms for the assignment of competencies was not linked with the size or capacity of local communities; i.e., it was major problem of the LG system in general.

The second general problem—fourth in terms of urgency—was the unclear division of tasks. Because of this, there is no common understanding of scope by different tiers. What would be the reason why these aspects of genuine autonomy have not been developed, or why the principles of autonomy have been violated?

In the Local Government Act, the roles of LG were defined rather explicitly as a definitive list of areas and tasks assigned to it. Confusion in the shared interpretation of the roles and the legality (corresponding to Ch. 154 of the constitution) of delegating certain roles without consent or financial resources emerged after central authorities began to assign new responsibilities to LG through special legislation. Both in the substance of the tasks assigned to local government and in the mechanisms for dividing and delegating the tasks, the principles of autonomy were neglected.

Figure 3.2

LGs' Rating* of the Intensity of the Problem of Too Many Responsibilities [%]



NOTE: * 1—not important at all; 7—very important.

SOURCE: LGS 2002.

2.1.1.3.1 Substance of the Tasks That Can Be Delegated

In this dimension no normatively approved and explicit criteria have yet been developed for the definition (identification) and differentiation of local, but especially regional and central government, tasks, and roles.

At the earliest stage of LG development, local elites considered the delegation of responsibilities and resources as a value in itself. It was assumed that the delegation of responsibilities would automatically increase the power and capacity of local governments *vis à vis* central government. Therefore, they did not insist on a clear definition either

of central government roles or of their own. Later on, when their decreasing capacity to implement growing tasks became obvious, a favorable political context for initiating discourse on this issue did not emerge. Instead, the main efforts of LG were aimed at negotiating as much support as possible from the central budget. Frequently, this involved competition with other LGs. This abstract opposition between poorly defined local and central roles has formed the general institutional context of intergovernmental relations to the present day. Current practice has caused rapidly increasing differences in LG capacity. Consequently, different needs and interests have emerged concerning capacity development. For instance, the impact of changes in the tax system would be extremely divergent, so the development of the revenue basis via tax reform becomes largely unfeasible. This makes the elaboration of a common position in negotiations with central government very difficult and is one of the reasons for the imbalance in central local relations.

In this competitive political environment, power has become a decisive factor in the definition of tasks as either local or central. Local governments are faced with the fact that, by law, the central legislative body can simply delegate a particular supplementary task because considers it local. Moreover, even in the case of the delegation of a task that was mutually understood as a central government responsibility, the financial support for that task has not followed, because central government considers that the support is covered by the general support fund, negotiated annually between tiers of government.

Much confusion derives from the denial of the existence of specific regional tasks and responsibilities of governance. The statement that regional tasks and roles do not exist in Estonia was one of justifications for the abolition of the second tier of local government. Actually, many tasks of a regional nature have remained in the competence of municipalities. Policy implementation at the regional level has been assigned to numerous central government field agencies, which ought to be coordinated by the county governor. During the 1990s, the independent powers of the county governor were gradually diminished through the politicization of that institution and the implementation of regional tasks was delayed.

In sum, there have been no explicit criteria to guide the discussion of whether the division and delegation of tasks by the central government in special legislation are justified, appropriate, and feasible. It has never been clear whether particular tasks are assigned to the LG because they are better implemented there, or whether the central government simply wants to shift responsibility for the implementation of labor and resource intensive tasks to the local government.

2.1.1.3.2 Mechanisms for the Delegation of Tasks

An efficient process for negotiations between central and local authorities has not emerged, primarily because of the lack of a regional tier. This tier of government would mediate and reconcile differences in the needs and interests of local communities, and then condense and articulate them in negotiations with central authorities.

In the existing arrangement of vertical power, the role of mediator of LG interests was assigned to LG unions, organized on a voluntary basis at the regional as well as national levels. (There are two national unions, one for towns and another for parishes). These representative bodies could be a suitable means for settling disputes between LG units and in developing concrete cooperative projects, etc. But they have not been able to focus and articulate the joint interests and positions of LGs, even in annual negotiations over the scope and principles of the distribution of general and other support funds. Besides, LG unions have been formally invited to participate in the process of harmonization of legislation. But they only have a limited advisory role in the process, and the government cabinet has ignored the majority of its substantive proposals concerning the delegation of new assignments (Meinvald 2002).

In the 1990s, a specific, semi-formal council of county governors played an effective role in articulating joint local interests when major conflicts in intergovernmental relations emerged. From the end of the 1990s, the politicization of county governors substantially diminished the role of this body. But the independent regional tier of governance could be effective, not only in neutralizing implementation problems of LGs with a weak capacity, but especially as balancing force in negotiations over delegation of responsibilities, which is one of the crucial premises of legal autonomy. Most importantly, local officials did not consider the creation of a second tier as a solution to what they saw as a critical state of affairs in local central relations (Table 3.5).

To a considerable extent, local governments either ceased to be capable of dealing with all the tasks that were assigned to them, or they implemented those tasks at the expense of (lower) quality and (limited) access. Central authorities were aware of that implementation gap but did not develop any accountability mechanisms for the implementation of assigned tasks. This was because a call for accountability and sanctions would trigger a discussion over the constitutional responsibility of central government and could force it to attach resources to delegated assignments.

These trends are also confirmed in the survey. Only one-fifth (22%) of municipalities are currently able to handle all the assignments of LG in a more or less satisfactory way (Figure 3.3), and one-fifth are unable to handle most tasks (25.5%).

Among smaller (fewer than 2,000 habitants) communities, the proportion of those who cannot manage at all was 35%–38%, whereas in larger communities this proportion was 16%–17%. The assessment of the capacity to completely manage assigned responsibilities has been controversial: the optimism of rural communities concerning complete management was even slightly higher than that of towns.

Figure 3.3
 Capability of Local Governments to Implement Assigned Tasks [%]



SOURCE: LGS 2002.

At the same time, our survey revealed that 76% of LGs have financed services and activities that are not formally assigned by the law, and the figure rises to 86.2% among mid-sized LG units. The proportion of towns with such expenditures was much lower (68.1%), because LG usually finances local newspapers, local museums, and the local churches that in larger towns are either commercial enterprises or managed by central (county) government. Recently, a couple of university colleges were established in smaller towns, and these were supported by local authorities. This practice, aimed to better meet the needs of local inhabitants, has caused conflicts with central authorities during the negotiation over support funds, especially investments. The latter argue that the LG must have financial reserves if it could afford to finance tasks not prescribed by the law and was able direct these funds to investments.

In this situation of vague definitions and controversial interpretations of local tasks, the central government position has been rather strict. It departs from the presumption of its own immunity in the definition of division of responsibilities. On the one hand, central authorities have not accepted the proposed partnership of local authorities in developing more user-friendly services that are formally the responsibility of central authorities. On the other hand, they deny the possibility of local authorities delegating tasks back to higher government authorities in cases where they have insufficient capacity themselves. As the Nordic experience of autonomous local governance has shown, a negotiated division of assignments between tiers of local government would allow the kind of flexibility required to solve the problem of capacity differences and would be more successful than the forced amalgamation of LG units.

2.1.2 Discrepancies in the Problems, Actions, and Power of Local Authorities

A survey carried out in Estonia by the research program, “Democracy and Local Governance,”⁵ analyzed the alignment between the most urgent problems in the community, the actual LG agenda, and LG powers to solve the different problems (Vöörmann 2001). The survey results (see Table 3.6) indicate that unemployment, economic development, poverty, and public safety appeared to be the most urgent issues in the local community. But except for the problem of pollution, these issues have received only minor attention in the LG agenda (and budget), since they are within the competence of central government and can not be effectively carried out by regional field offices that are largely unresponsive to local needs.

Instead, local authorities’ attention has been focused on culture, environmental protection, education, health, and social problems, mainly because they possess enough powers to deal with these. This illustrates the deep discrepancy between problems, actions, and responsibilities. Local governments have too few powers to solve the problems that are the most urgent. At the same time, other institutions that might be responsible may have little interest in settling those problems at the local community level, because of their extensive autonomy.

Table 3.6
Community Problems Reported by Survey Respondents [%]

Problems	Problem Very Serious in Community	Active Actions Taken by Authorities	Powers of Local Authorities to Solve Problems
Culture and recreation	10	32 (1)	93
Education	5	24 (2)	81
Public improvements	15 (6)	15 (6)	79
Social improvements	12 (8)	18 (5)	77
Housing	13 (7)	10	69
Pollution	15 (5)	23 (3)	68
Health	4	22 (4)	67
Ethnic relations	3	12	58
Public safety	23 (4)	13 (7)	47
Unemployment	51 (1)	5	32
Economic growth	43 (2)	7	31
Poverty	34 (3)	2	25

SOURCE: Vöörmann 2001.

Local governments are incapable of dealing with the most urgent problems not only because of insufficient internal capacity, but because these problems (like public safety and unemployment) are by definition regional policy problems, even though they are delegated to local authorities. As indicated in the survey, even towns were not able to deal with those regional problems, so the solution would not be in the distribution of more resources to local authorities, but in assigning tasks to the appropriate levels.

2.1.3 Fiscal Autonomy

The best surrogate indicator of local fiscal autonomy is the proportion of own revenues, and especially own tax revenues of local authorities. This indicates whether the central government considers it important to develop the revenue and tax basis of local authorities, or prefers to redistribute collected taxes via various support schemes.

The second qualitative indicator of local autonomy is government support via general support grants, aimed at increasing the capacity of the local community. Where the general grants prevail, the government considers local authorities to be arms length in implementing central government policy at the local level.

The third qualitative indicator of real autonomy is the balance between having the possibility to develop an own revenue basis, and having discretion in the planning and spending of budget revenues.

If we judge by the official statistics on local finances, Estonia is a country with rather independent local finances. Local government expenditures in comparison with government expenditures were among the highest (30.6%) of all CEE countries, comparable even with the expenditures (34.0%) of the two-tier Polish local government system. Estonia also had a rather high proportion of independent and shared revenue, and one of the smallest proportions of government grants in local budgets of all the CEE countries in 1999 (Horváth 2000).

The constitution of Estonia provides wide ranging guarantees for budget autonomy. As previously noted, however, this constitutional provision alone cannot guarantee real autonomy in the budget process. Central government may assign new responsibilities, partly because there is no clear agreement on what are local and what are central government responsibilities. This is a problem in many autonomous systems of local government. Estonia does not have an efficient process for reaching agreement about the actual delegation of responsibilities.

Besides the general indicator “own revenues,” which, as we will see later, can be manipulated, there should also be more complex indicators that enable us to make judgments about autonomy in financial management and strategies, and also to make valid comparisons between countries. Support grants to autonomous local governments, for example, could be considerable in certain geographically specific communities or

local governments which implement a large number of state tasks. Departing from the subsidiarity principle (Vanberg 1997), a more profound criterion for assessing fiscal autonomy would be fiscal sustainability. Sustainable budgeting means, primarily, that the autonomy of a local community in the development of both its revenue base and its spending (social and economic) strategy is balanced. Furthermore, in the case of autonomous finances, the aim of central government support is the development of the sustainable capacity of local government via general grants. The centralizing trend, on the other hand, saw local government at arms length in the implementation of its policy at the local level. Therefore, central government prefers to deliver support via various types of categorical grants.

The survey indicated that the obstacles to developing true fiscal autonomy are considerable in comparison with other problems. Low discretion to determine local revenue was named as the second most serious problem (with a mean of 4.8 on the seven-point scale, where seven indicates the greatest importance of the problem).

Table 3.7
Assessment of the Intensity of Problems in Intergovernmental Relations
by Local Officials (7-Point Scale*)

Problems	Urgency of the Problem	Assessment of Importance of the Problem
1. Too little discretion for municipal authorities in determining local revenue	2	4.87
2. Too little discretion in formulating economic strategy of municipality	10	3.77

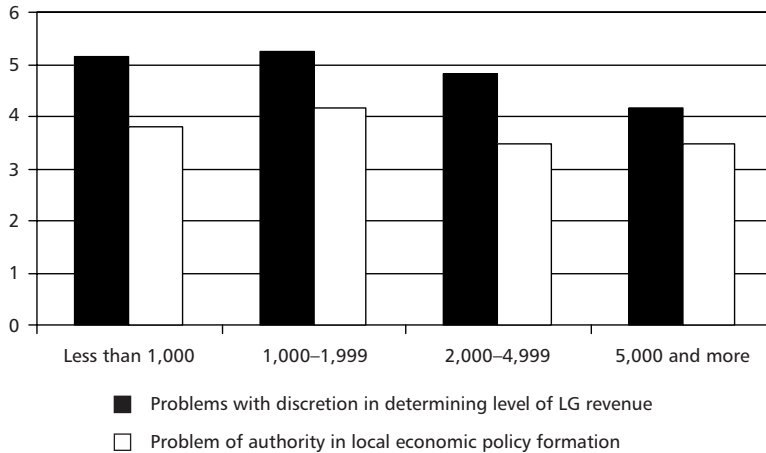
NOTE: * 1—not important at all; 7—very important.

SOURCE: LGS 2002.

The need to widen the revenue base was very urgent for smaller LGs. The urgency gradually decreases with the increase of the size of the LG (Figure 3.4). In the largest communities the problem ceases to be urgent.

Low discretion in formulating local economic policy (mean of 3.77) was assessed as the tenth most important problem. Also, the correlation between these problems was considerable (Pierson correlation of 0.585). That is, it is expected that difficulties in determining economic strategy derive mostly from financial restraints (in comparison with restraints caused by central regulations).

Figure 3.4
Intensity of Problems of Fiscal Autonomy of Estonian Local Governments
According to Size of Community (7-Point Scale*)



NOTE: * 1—not important at all; 7—very important.

SOURCE: LGS 2002.

As noted previously, Estonian local governments have rather wide discretion over spending in formal terms, but fairly serious constraints in developing own revenues, including borrowing. This discrepancy emerged because the principles of autonomous budgeting, especially the discretion to develop local policy for the structure of expenditures, were formulated in an earlier, “romantic” stage of LG reforms. LG revenue policy and government support schemes were developed much later, i.e., in tandem with the new taxation system in 1993–94, when Estonia was in a deep economic and fiscal crisis and when a more centralist approach was the only responsible national fiscal policy. The taxation laws were adopted at the end of 1993 and the Local Taxes Act was adopted as late as September 1994, more than a year after the enforcement of the Local Government Act. At that time, central government tried to establish as much control as possible over finances and over possible sources of revenue to soften the fiscal crisis at the national level. The other side of coin was the extensive delegation of roles to LG without assessing to what extent LG would be able to manage these tasks and without any preparatory stage, even at the level of social and economic forecasts. The majority of faulty LG loans throughout the 1990s were caused by the need to manage the explosive enhancement of tasks of LG after the adoption of the LGA in 1993. A proportion of the investments made in this period was not intended to achieve future economic gains and became a burden to LG budgets without much in the way of outcomes. At the same

time, following its general libertarian premises, the government of the day was not much concerned about the possible fiscal outcomes of LG spending policy.

The general trend in the development of LG revenues at the beginning of the 2000s was a decrease in own revenues and an increase in the role of government support,⁶ primarily at the expense of very specifically targeted grants. Between 2000 and 2002, LG budget revenues increased 1.55 times, whereas the support funds increased 2.36 times. From 2000 to 2002, the proportion of own revenues decreased from 50.99% to 43.87%. Furthermore, Estonian statistical methods count shared taxes as own revenues, although the role of local taxes in Estonia is around 1%.

The role of the government support fund increased from 15.36% to 23.47%. At the same time, however, responsibility for the teachers' payroll was transferred from the central government budget directly to the local government budget. The general government grant decreased from 9.6% in 1999 to 8.7% in 2001. The use of this grant as a means of increasing LG general capacity is the main indicator of a policy of LG autonomy. Increasing the role of targeted or conditional grants, on the other hand, indicates that central government views local government as an agent in implementing its policy objectives at the local level, i.e., a centralizing tendency.

Although the general support fund is not a very large item in total budget revenues, it could form the major proportion of the revenues of smaller localities. It is distributed according to a certain formula that takes into account the proportion of own revenues in the previous years. In this respect, the mechanism of redistribution supports fiscal autonomy. However, the amount of this fund is determined during the annual negotiations between the government delegation and the Cooperation Assembly of the Local Government Associations. These negotiations are an important and interesting indicator of local autonomy. The Assembly consists of representatives of local authorities, which have rather different interests in the distribution of those funds as well as the aspects of LG development that ought to be discussed during these discussions. The Assembly has not yet been able to arrive at a common position in these negotiations, and this is the main reason why a mutually acceptable decision has not been made. According to the rules of negotiations, if a consensus is not reached, the proposal of central government concerning the amount of the fund is taken as the final decision of negotiations.

The structure and mechanisms for the allocation of investments are also rather interesting from the perspective of intergovernmental relations. LG investments come from various sources and not all of them are mirrored in the LG budgets. In 2001, 2.1% of all expenditures were government-earmarked supports to LG investments and 2% were general investment aid. The National Investment Program (NIP) made 5.5% of investments via ministerial budgets. Further resources were provided by various foundations or grants that were managed independently and have independent accountability and financing.

Before 2001, the distribution of resources from the NIP was made at the level of regional authorities, as the result of collective decision-making in which LG associations

played a central role. The county governor was the mediator in this process. Beginning in 2001, line ministries of central government started to distribute the investments according to a proposal from the county government. One part of those investments was transferred to the local government balance sheet as an in-kind contribution, and was not mirrored in local government budgets.

The main argument for this change was the need for better coordination of the investment policy at the regional level. Another reason was the relatively frequent use of investment money for purposes not included in the initial target, or not reflecting the priorities of the Development Plan (DP). The latter is a normative requirement of investments made by the NIP.

Our assessment of the changes in the distribution of investments after the NIP distribution leads us to conclude that the new practice of investment grants has achieved the main aims of the reform (Table 3.8). Investments have become much better targeted (+32.1) and they correspond more to the development plan (+10.1). In other areas the outcomes were not as good. The most negative consequence mentioned was the distribution of investments to those who do not need them the most (−50.0), an imbalance in the sectoral distribution of investments (−39.4), and the diminishing role of investments that have regional importance (−28,4).

Table 3.8

Evaluation of Changes in the Distribution of Investments via the National Investment Program (4-Point Scale*)

Distribution of Investments	Assessment by Respondents [%]				
	Completely Satisfied	Rather Satisfied	Not Very Satisfied	Absolutely Not Satisfied	Do not Know
Investments were made more in congruence with DP	18.9	31.7	13.2	26.9	9.3
Investments were more expedient	34.1	25.3	11.4	15.7	13.5
Investments were more cost-effective; emergence of economy of scale	15.2	21.0	12.5	23.2	28.1
Investments were more balanced in the sectoral dimension	0.9	19.0	25.8	23.5	30.8
Investments were more targeted to the common needs of LG in the region	8.5	21.0	28.1	29.0	13.4
Investments were received by those who need them most	4.0	11.9	29.6	40.3	14.2

NOTE: * 1—completely satisfied; 4—absolutely not satisfied.

SOURCE: LGS 2002.

To summarize, the research showed a rather extensive formal autonomy of LG budgets, but this autonomy was considerably constrained by the limited opportunity to create own revenues. The general trend in the development of central–local fiscal relations has been centralization. As the case of the NIP indicated, centralization can increase fiscal discipline, but it also considerably decreases the effective targeting of investments.

2.1.4 Conclusion

Estonian local governments have extensive formal autonomy in the normative and fiscal spheres. But this formal framework has not been conducive to actual autonomy and, hence, the development of local democracy. From the late 1990s we saw extensive attempts to centralize and the successful promotion of this trend. The limits of further decentralization under the current LG system were openly recognized by leading politicians.

On the one hand, local authorities had extensive autonomy in issuing their own legislation and (mainly) framework laws that directly regulate local government activities. On the other hand, a massive delegation of tasks to local authorities was authorized through special legislation. As a rule, this delegation of tasks occurs without discussion and without the consent of local authorities. There are two main reasons for this discrepancy: first, the weakened role of county governors and the low capacity of LG associations as a balancing force and as a center of consolidation of local interests; and second, the unclear definition of central, regional, and local tasks that enables the main guarantees of the constitution to be by-passed.

There is also a gradual trend away from local autonomy in fiscal affairs. An imbalance between the freedom to build the revenue base and the spending of LGs was inserted into public budgeting and taxation from the outset. Besides the diminishing level of semi-own revenues, the general logic of government support favored targeted grants that are more appropriate to a non-autonomous system. Our analysis of the centralization of distribution through the National Investment Fund demonstrated that the new process is much less able to meet local needs than the previous, more decentralized system. Ultimately, local authorities are not able to solve the most pressing problems of local life. Furthermore, they have no recourse or process available through which they could require responsiveness from those public institutions that are formally responsible for those tasks.

Our survey revealed that local political elites still hold strong localist attitudes (local problems are their priority), although solutions to the core problems of local autonomy rely on the macro-level. That is, local governance and its problems are still considered as separate and opposite to the aims and problems of national governance. This kind of stance did not enable local authorities to achieve a joint position in the annual negotiations with central authorities.

An impressive percentage of councilors (34.8%) preferred a balance of priorities between local and national problems. Respondents from larger local communities (5,000 inhabitants or more) were more supportive of balance (41%) than average respondents. However, an absolute majority expressed clear support for the priority of local problems (55.5%) vis à vis national ones (19.2%).

This inclination towards localist values is not correlated with local autonomy as a liberal-democratic value in our survey. Right-wing politicians (councilors) supported the amalgamation of LG units as frequently as left-wing politicians, because of their inefficiency. But the mean support towards the idea of amalgamation differed tremendously between representatives of smaller (2,000 or fewer inhabitants) and larger communities (2.67 versus 5.25). Obviously, larger communities value their own autonomy and are more prone to favor merging smaller units—in other words, to absorb the smaller units' resources into their own community and budget. That is, with respect to LG amalgamation, they stood for strict centralization and an instrumental approach that is opposite to the values of organic local autonomy.

Symptomatically, the other two problems of intergovernmental relations were in the class of “least important” ones. Local officials did not consider the intervention of regional government offices into the management of local authorities as the meaningful problem. Larger communities identified it as a problem of “minor importance” (almost 3 on a 7-point scale). The problem of the absence of regional local government, which has been at the core of the controversy over local autonomy in Estonia, appeared to be even less important for them. Thus, instead of supporting the creation of a vertical balance of power, Estonian local officials are still searching for solutions to the problem of local sustainability in the redistribution of resources at the local level. In this institutional context, any successful reform of local government that could solve the main problems of local autonomy would not be politically feasible.

2.2 Constitutional Local Government

As we have demonstrated, local autonomy would not be an unconditional basis for local democracy. Autonomy could play this role only if it were real, i.e., if it departed from the principle of subsidiarity and ensured self-sustaining development. We turn now to the next major aspect of local democracy: the institutional context. The following indicators of local democracy provide the basis for our discussion:

1. The ability to ensure the rule of law and rights at various levels: human, civil, political, and social rights;
2. Local government capacity and willingness to ensure access of citizens to the process of governance;

3. The existence of effective control mechanisms at the local level. In this connection, the ability to combat corruption would also be an indicator of local democracy. It is expected that autonomous local governments mostly rely on mechanisms of political control and participation. Therefore, we would not expect to see very strong evidence of effective administrative control mechanisms, but rather, of inchanpers of local politics and local civil society;
4. Presumably the most important indicator of local democracy—the existence of flexible institutional checks and balances between the main power actors.

2.2.1 Civil and Political Rights

In Estonia, the issue of civil and political rights is linked with the rather complex and widely debated problem of citizenship. The citizenship problem dates back to 1940, when the Estonian state was unlawfully occupied and destroyed, but the citizenship of residents remained recognized *de jure* by international law. From this presumption, the principle of legal succession was adopted as the basis for the restoration of Estonian statehood after the collapse of the Soviet Union. Estonia also inherited basic legal norms from the pre-war Estonian Republic, including the law of citizenship that was restored with considerable amendments at the beginning of 1992. Those who came to Estonia after the date of occupation did not automatically acquire citizenship, because Estonia recognizes the “right of blood” principle of citizenship. Hence, those persons have to apply according to this law of citizenship.

As a result, 20% of residents do not currently have citizenship in Estonia. It follows that these people do not have the political rights that citizens have, among them the right to vote in parliamentary elections, the right to create organizations, etc. In the 1990s, several parties were established by Russian-speaking citizens. The number of (primarily young) Russian-speaking people gradually increased from election to election. But Russian parties ceased to be represented in the Estonian parliament after the elections of 2003.

At the local level, there are somewhat different solutions to the problem of political rights than at national level. The two main issues have been formal legal rights and the language issue. Before the local elections of 1996, amendments to the Law of Local Elections were adopted. Residents with a permanent resident permit acquired the passive right to vote in local elections. Also, to participate in the elections, Estonian citizens must be permanent residents of certain local communities, but without any time qualification. This amendment was introduced largely because of pressure from the OSCE. After the elections, many Russian-speaking councilors were elected. But in areas where Russians form a large community, they often had a weak knowledge of the Estonian language. In 1998, the law was amended to include the requirement of knowledge of the official state language by councilors. In November 2001, because of

pressure from the EU, this provision was abolished and another was added. The Estonian language was defined as the official language of local councils, but if the majority of the residents and councilors spoke another language, the council could use another working language with the permission of the government. This provision came into force after the 2002 elections, and the first applications to use Russian in Narva and Sillamae councils have been made.

The other issue was the Russian-language secondary schools. In the mid-1990s, The Law of Gymnasiums and Basic Schools stopped the financing of teaching in the Russian language at the secondary school level, but the deadline for this was postponed to 2007. In 2002, a new amendment delegated this decision to the local level, as in the previous case. According to the new law, the school council must apply for permission to continue teaching in Russian and the decision must be approved by the local government and the cabinet.

The right to organize, including the right to form and to be involved in political parties and national minority organizations, is also linked with citizenship rights. In 1925, Estonia adopted a Law on Cultural Autonomy that was exemplary in Europe and widely publicized by the League of Nations. A new law on cultural autonomy was adopted in 1993, giving cultural groups with long-term roots on Estonian soil the right to form autonomous organizations. Currently, the Association of Nations in Estonia includes 24 organizations of national minorities (<http://www.ngonet.ee/nationalminorities>).

2.2.2 The Rule of Law

The level of compliance with the law in Estonian political culture is rather high, but our research revealed that the existing laws lack legitimacy among the population. While 58% of residents agreed that the majority of Estonians respect and follow laws, 30% did not agree and 12% could not answer. Only 40% thought that the constitution is good and just and 36% disagreed with the statement (Rikmann and Lagerspetz 2002).

Estonia has conventional mechanisms for ensuring the rule of law. The highest judicial institution is the court, which has three levels. Estonia does not have a constitutional court. The higher level court—the state court—serves simultaneously as interpreter of legislation to ensure it conforms to the constitution. The Legal Chancellor exercises general supervision over the observance of constitutional rights, ensures the correspondence of legislation to the constitution, and supervises LG acts. The task of legal ex post supervision is exercised by the county governor. Both of them have only a supervisory role and do not act as authorities in conflict resolution. Thus, there is double system of legal supervision over the legality of LG activities.

The legal chancellor acts also as ombudsman, but only in settling relations between citizens and state agencies. There is no institution of ombudsman at the local level. In

cases of violation of rights of residents and their organizations, application can be made directly to the administrative court. Residents have the additional recourse (according to the LGA, ch. 33) of requiring the local council and government to amend adopted normative documents that unlawfully restrict their rights.

The legal chancellor prepares an annual report about his or her activities in ensuring the correspondence of local acts to the superior legal acts. The last report was prepared in the autumn of 2002, and covers a one-year period (<http://www.oiguskantsler.ee/index>). In one year, the legal chancellor oversaw 56 local acts, made 24 proposals to provide their correspondence to superior laws, and issued nine memos about unlawful actions. In thirteen cases the LG amended adopted acts without any contest. One common reason for the noncorrespondence of LG legislation to superior acts is the gaps and potential for controversy in the superior acts. In filling those gaps, LG extended their competence in issuing legal norms.

Other frequent discrepancies with superior laws include:

1. issuing new or supplementary levies on residents that did not derive from the law;
2. problems deriving from insufficient revenues of LG, since the insolvency of LG endangers the implementation of basic tasks and threatens the guarantees of the rights of citizens;
3. unlawfully established user fees by LG, e.g., for licenses and permits;
4. supplementary requirements for social aid established by LG (of 84 local communities analyzed by the local chancellor's office, 22 had established such supplementary requirements); and
5. problems deriving from the low professionalism of LG officials.

Local officials have very often applied to the legal chancellor's office for legal expertise regarding draft acts or intended actions. In preparing regulations, local authorities have sometimes used the original text of the law, not taking into account the later amendments, or have relied on legal acts that were abolished, instead of on the new legislation regulating these issues. Very often, smaller LGs copy the legislation of larger cities without taking into account the specifics of their own LG unit. The municipal secretary—as head of the legal chancellery—should have a degree in legal studies (or be a graduate of a special training program). Some LG units still cannot meet this requirement. In addition, anyone who acts for the legal chancellor in his or her role should have a similar qualification (there have been cases where legal acts were signed by the technical assistant to the head of the office).

The legal chancellor deals mostly with the purely legal side of LG activity. As he or she does not have the right or obligation to act as ombudsman concerning actions of the local authorities, residents and their organizations go directly to the administrative

courts to register their complaints and challenges of unlawful LG actions. Administrative courts are first level courts for the solution of disputes in the framework of public law. Table 3.9 presents statistics of management of cases at administrative courts.

The first important observation was that the number of new applications was smaller than the number of unsettled cases from the previous year. At the beginning of the year, there were 1.4 times more old cases than new cases involving local government. The number of unresolved cases was higher at the end of the year, whereas the total number of cases was reduced by almost 6%. In the majority of new cases (39.4%), local government acts, actions, etc. were contested. The next most contested institutions at the administrative courts were government local field services and the tax board and its local branches. A substantial majority (70%) of new court applications against LG contested local acts and 23% contested LG actions. Of the cases resolved by a decision of court, only 32.5% of the actions or acts of LG were found to be unlawful, while 64.6% of the challenges or complaints were not satisfied (i.e., there were not adequate legal grounds). This would confirm the conclusion of the Legal Chancellor that an important reason for contradictions between LG acts and superior acts derives from gaps in superior acts that LG wishes to fill. This would then create an unclear legal situation, which could be the reason for appeals by citizens and organizations. The trend is similar at all levels of government.

The most frequent issues creating legal controversies (24.3% of all cases) were restoration of property rights (229) and unlawful privatization processes (212). Decisions and acts on building and planning caused the most frequent complaints concerning LG regular tasks (57). Thus, the majority of the disputes between residents and LG derived from problems created by the transition process.

The Judicial Procedure of the Constitutional Review Act adopted in 2002 also enables the constitutionality of government and Riigikogu decisions to be challenged. From 2001 to 2003, the decisions of these institutions were contested three times.

Table 3.9
Management of Cases at Administrative Courts in Estonia (2002)

Institutions	From Previous Period	New Applications	Issue			Issue Solved by Decision			Time		Process Closed				Not Solved by the End of Year
			Legal Act	Action	Compensation of Losses	Total	Act of Action Unlawful	Application Denied	Up to 2 Months	More than 2 Months	Total	Re Restoration of Rights	To Civil Court	Applicant Took Back	
Local government	1,311	879	614	207	43	415	135	268	89	345	239	33	1	119	1,348
Government ministries	295	166	82	67	14	93	23	68	31	81	34	3	—	17	280
Agency/ Inspection, their field offices	326	280	200	72	6	143	50	92	35	126	40	10	—	15	360
Total	2,439	2,206	1,363	709	78	972	319	637	378	825	423	55	4	196	2,254

Source: <http://kola.just.ee/>.

2.2.3 Conclusion

The majority of problems in ensuring the rule of law derived from the transitional state of society. The reforms have created many legal disputes and unexpected consequences, as legal principles were applied in a society that did not rely on the rule of law. This has been especially pronounced in the cases of people who became residents of Estonia after the unlawful occupation of a neighbor state, then a member of the League of Nations. In the majority of cases, the discrepancy between central and local legal acts and actions was caused by the incompleteness of the legal system and the insufficient capacity of LG staff. Nevertheless, the system for the defense of legal rights and ensuring the rule of law—especially the constitution—works increasingly smoothly. At the very least, the process of ensuring the rule of law has become more transparent, as we will show in the following section.

2.3 Transparent and Accountable Local Government

2.3.1 Transparency

Local governance in Estonia is rather transparent. This is not because Estonia is a very small country where the majority of municipalities report 2,000 or fewer inhabitants and “everybody knows everybody.” Probably the opposite is true: small autonomous communities tend to develop a close, corporatist, oligarchy-like government and need more transparency than in local governments where representative bodies promote political competition and mutual checks and balances.

Two recent policy initiatives gave new impetus to the development of more transparent LG in Estonia. Both innovations were introduced by the Public Information Act, adopted by Parliament in November 2000. This act obliges all subjects of public law, including LG, to provide open access to official non-classified information in public offices, in response to the request of citizens within a limited time-frame (one week). At the same time, the conditions are clearly defined. Any citizen can apply to the public office for information and the latter is obliged to deliver the information. The law prescribes rather detailed procedures for processing the information requests. The request can also be made and the answer provided via the Internet. Public organizations must provide access to 32 types of official information and documents (Ch. 28, I). In addition, organizations must establish a digital register of documents that are issued or filed in a public office. This register must be made available on the Internet and the public office must enable access to these documents.

Information requests, i.e., requests to provide existing and filed official information, are distinctly different from citizens’ complaints or proposals. The latter are applications

that presume investigation and control of certain facts or actions that took place in the organization. These kinds of requests are handled according to the Act on Response to Requests (of citizens). The last version of this act was adopted in 1994. These requests are targeted to the protection of the normative rights of citizens (see Ch. 3 of the Act on Response to Requests) or could be considered as a channel of participation of citizens in governance (see Section 3.4 of this Chapter).

Secondly, all local authorities must establish their own websites to create ease of access to official public information. The law does not prescribe the format of the websites or the information that they should present. The content of the websites has been created largely through the transfer of best practices from other municipalities or by the county government that coordinated the formation of the websites of the smallest (weakest) communities. Also, special legislation prescribes certain information and its format to be published on the website. For instance, according to the LGA, local governments have to publish eight official documents during the budget cycle, as well as the development plan and the investment plan. Many of the innovations enforced in the new act, particularly websites, had already been developed among the most advanced organizations and localities.

The LGA already contained the basic provisions of transparency in local governance. Chapter 3 defines transparency as one of seven principles of local governance. The law also defines ways to realize that principle. Ch. 23 provides that acts adopted by local council may be enforced only after their publication. The form of publication will be defined by each municipality autonomously, depending upon feasibility and LG capacity. At a minimum, acts have to be put to the stand at the council office. The most important legal acts (i.e., statutes of LG) must be published in the *State Gazette*, an official journal of government legislation. The LGA also requires the publication of and access to LG decrees and orders before their official enforcement (Ch. 31). Sessions of local council are public, as a rule (Ch. 44, p.4). In practice, larger municipalities publish regular invitations to the sessions via local newspapers, with detailed agendas of upcoming sessions. However, meetings of the local government executive are closed and can be attended by non-members only by invitation. This restriction also applies to members of the local council. This derives from the general practice of making public only the decisions of the administration.

2.3.1.1 The Impact of Citizens' Information Requests

In 2001, the Inspection of Data Protection issued its first report on the implementation of the Public Information Act, where concrete cases of violations of the act were analyzed (The Inspection of Data Protection 2002). Our survey tried to identify the role of various types of information requested and the main problems in increasing the actual transparency through the implementation of information requests.

The responses of top officials indicated that the inhabitants of local communities were almost equally interested in information for personal needs and in general information about the local government (Table 3.10). The inhabitants of towns were in some respects considerably more interested in information than those of parishes, especially in information about analytical surveys on the development of LG. Probably smaller municipalities did not have such information at all. The inhabitants of smaller LGs are less interested in information (or smaller LGs can provide less information) for the solution of their individual problems than those of larger LG units.

Table 3.10

Information Requests to Local Authorities in Estonia by Size of Community [%]

Type of Request	Size of Local Community by Population				Medium
	Less than 1,000	1,000–1,999	2,000–4,999	5,000 and More	
Information about legal acts adopted by LG	57.7	51.1	48.8	69.1	54.9
Information for solution to personal problems	52.0	47.3	61.6	69.1	57.2
Analytical surveys about LG	15.4	19.5	28.4	37.5	25.6
Statistics about LG	52.0	61.5	61.2	69.8	62.2
No clear understanding by residents about what kind of information is needed	52.2	33.0	37.5	56.9	41.3
Request for information that has to be delivered by another agency	70.8	54.3	53.0	78.8	60.6

SOURCE: LGS 2002.

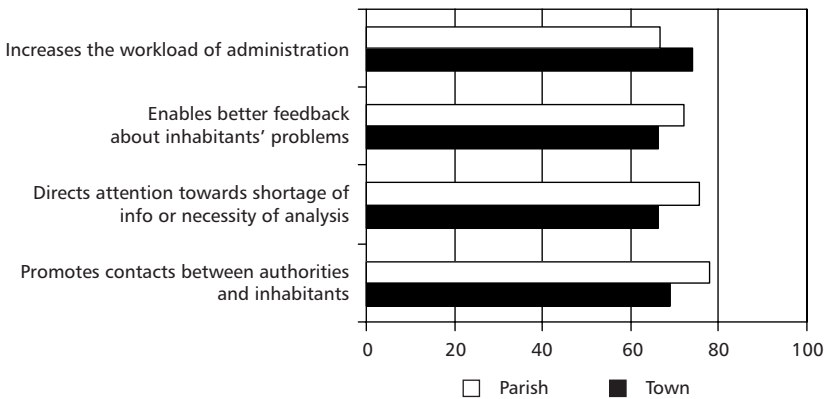
New practices of transparency might cause confusion during the initial stages: inhabitants could ask for information that cannot be provided via information requests or that the government agency cannot provide. This was also emphasized in the report of the Data Protection Agency and in the Report of the State Chancellor (2002).

Our survey results show that this confusion in addressing requests was higher in towns and in the largest and smallest communities. That is, the development of transparency requires not only that organizations have effective mechanisms for delivering information, but also that the inhabitants have considerable experience in formulating and addressing requests.

Another aspect of this issue is the impact of information requests on the overall effectiveness of LG management, i.e., whether it is an additional burden on local

authorities or serves the interest of better management of local community affairs. Our survey revealed that this innovation has both outcomes (Figure 3.5). However, officials of town governments were more optimistic about the advantages of information requests for the promotion of feedback than those at the parish governments. At the same time, the officials of parish governments complained somewhat more frequently about the increase in workload. This trend was rather natural. Officials from town governments obviously have less feedback and contacts with the inhabitants than officials of parishes do. Therefore, the added value of a supplementary channel of feedback would be assessed more positively. At the same time, officials at parish governments are responsible for multiple tasks and roles. Responding to information requests was obviously more of a burden for them than for town officials where special departments and staff would carry out this task.

Figure 3.5
The Impact of Information Requests on the Effectiveness
of Local Administrations [%]



Note: Percentages are for those representatives who stated “completely agree” and “agree more than not.”

SOURCE: LGS 2002.

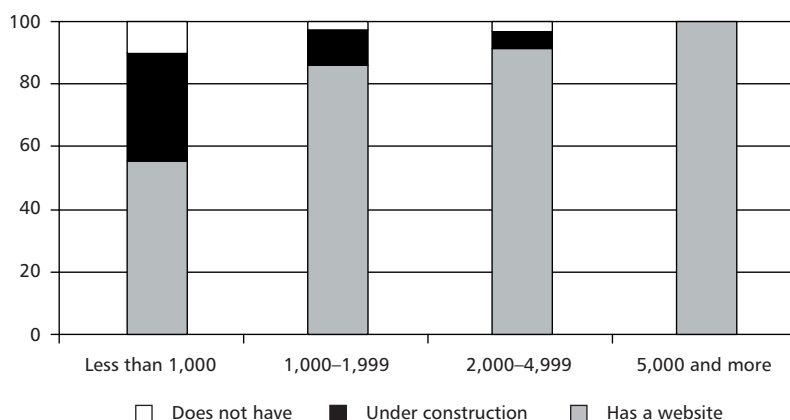
2.3.1.2 Impact of Websites on Local Communities

The term “community” is used intentionally here, because the best developed websites of localities contain a much wider range of information than strictly information about local government and administration. Also, in larger communities the website is targeted to internal needs as well as to external users, e.g., for advertising. These websites would be a source of information for tourists, businesspeople, researchers, etc.

Although all LGs were supposed to have their own websites by March 1, 2002, when the survey was conducted at the end of 2002 and the beginning of 2003, 3% of local officials reported that their LG did not have a website and around 10% reported that their websites were still in the development stage (Figure 3.6).

The law that obliged all LG units to develop their own websites initially met with controversy among the local representatives. For smaller LGs, this assignment represented a supplementary financial burden, as they do not have the capacity to develop and manage websites by themselves. This situation is a good example of the delegation of tasks to LGs without consultation and without the necessary resources. The solution was also rather instructive. The county governments offered technical assistance in developing the LG websites. Since the public relations aspect of the website has a regional dimension, it obviously could not be completely assigned to the local communities. In this example of the websites, the problem was solved ad hoc, through informal initiative from both sides. But in the future, especially after membership in the EU, the absence of a coherent regional executive would negatively affect the public relations of Estonian local communities.

Figure 3.6
Proportion of Local Governments with Their Own Websites
by Size of Community [%]



SOURCE: LGS 2002.

What kind of information do the websites contain? As Table 4.2 demonstrates, the majority of the websites of different communities contain contact information (with email addresses) and legal acts in almost equal proportion. The majority of LGs also prefer to use the Internet to publicize protocols of the council and (closed)

government meetings (exceptions are LGs with 1,000–1,999 inhabitants). Surprisingly, smaller communities did not seem to have problem with servicing websites, for they provide current information (protocols) equally with larger communities. Extremely small communities obviously have cooperative arrangements with larger communities. As a smaller proportion of the websites in the smallest communities contains specific information or links and discussion clubs, etc., the weakness of their servicing capacity is revealed.

Table 3.11
Information Presented on the Websites
of Estonian Local Governments by Size of Community [%]

Type of Information on Website	Size of Local Community (Population)				Mean
	Less than 1,000	1,000–1,999	2,000–4,999	5,000 and More	
Contact information about councilors and government officials	100.0	100.0	100.0	100.0	100.0
Legal acts adopted by LG	87.5	89.1	88.4	96.6	90.4
Analysis and reviews of LG developments	23.8	21.0	28.8	34.0	27.0
Links to other websites	22.7	45.2	39.7	54.7	43.5
Protocols of council's sessions	87.0	58.1	80.0	84.5	74.2
Protocols of government meetings	63.6	48.3	51.2	64.3	54.2
Discussion forum	25.0	21.3	32.5	35.2	28.6
Information directed to investors	10,5	36,8	55,3	52,7	45,1

SOURCE: LGS 2002.

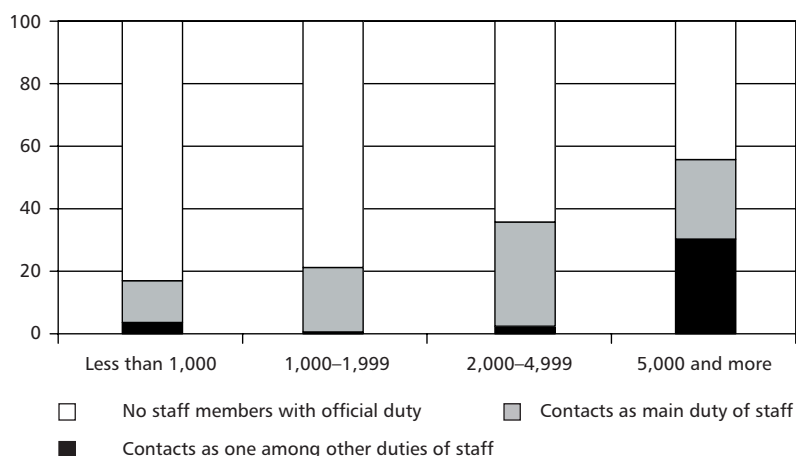
There is a considerable difference between smaller and larger communities in advertising their local community for foreign investors. Previous research (Närep 2003) revealed that smaller localities would like to target their public relations to their own inhabitants and value the improvement of community relations more than foreign investment. Larger communities are more instrumental and open, and put much emphasis on advertising investment and tourism opportunities. In some ways, these aims of public relations are contradictory or at least should be achieved through different channels.

2.3.1.3 Public Relations at the Local Level

Besides local media and websites, a basic tool of public relations is direct relations with the public and with local media. The aims of these contacts are the provision of official, first-hand information about LG activities and the development of dialogue with the local inhabitants.

Active public relations were also dependent on the capacity of LG units. The majority of LGs (67.5%) did not have a designated staff person responsible for contacts with journalists. At the same time, 30.5% respondents of the largest (over 5,000) communities reported that they have a special staff member for public relations and 25.4 other staff members for whom this is one of their official duties.

Figure 3.7
Proportion of Local Governments Dependent
on the Formalization of Public Relations Tasks [%]



SOURCE: LGS 2002.

Presumably, the availability of staff members responsible for public relations should positively correlate with the frequency of contacts with the media. Only 4.5% of respondents from various localities reported the absence of contacts with journalists at all (Table 3.12). The difference between them concerned the regularity of meetings. In local governments with a special staff member, contacts were as a rule regular.

Table 3.12

Frequency of Contact with Journalists Dependent on the Formalization of Staff Assignment to Public Relations Tasks in Local Government [%]

Frequency of Contact	Form of Staff Assignment to Inform Journalists			Total
	Main Duty	With Other Duties	No Assigned Duty	
Regularly	86.4	51.4	13.8	28.7
Occasionally	13.6	47.2	80.0	66.7
Never	—	1.4	6.2	4.5
Total	7.6	24.9	67.5	100.0

SOURCE: LGS 2002.

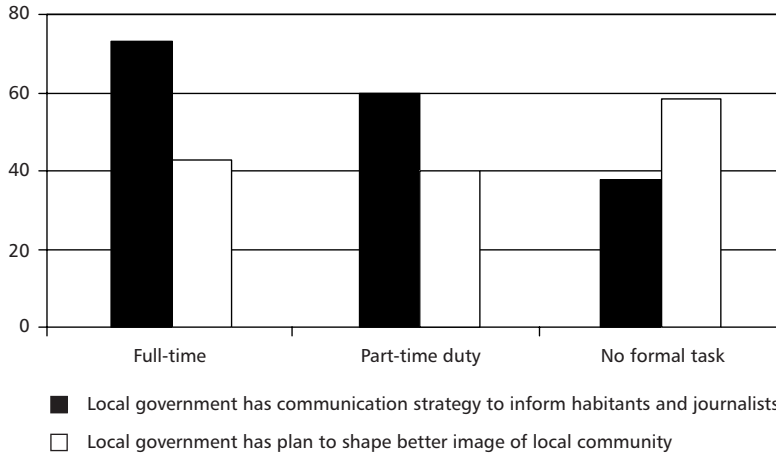
We have tried to concretize the connection between the formalization of the public relations task and the effectiveness of public relations policy in the various localities to understand the extent of institutionalization of this new role at the local level, as this would begin to play a very important role in LG capacity-building after membership in the EU.

Local governments with formalized staff positions in public relations often have more communications strategies than those without a special staff member responsible for PR (Figure 3.8). But even more strategies were adopted in LGs that did not have specialized PR staff, especially general PR strategies. Also, relatively more frequent contact with journalists would reflect a generally greater intensity and complexity of the work of local authorities. Presumably, the frequency of contact would also depend on the interest of the media, i.e., whether local events could reach the news threshold of media. In this context, smaller communities would not expect a great deal of media attention, so the development of such a strategy would not be a priority. But this does not mean overall passivity in public relations. Despite larger communities having staff members who are assigned the task of developing contacts with journalists, this “investment” of local authorities is not yet mirrored in a more active general public relations strategy at the local level.

The connection between the availability of communications staff and organized public forums was also controversial (Table 3.13). The largest proportion of LGs in which forums or public hearings were not held at all was those with full-time PR staff (26.7% versus 13.2% in LGs with no PR staff. At the same time, in 26.7% of localities with full-time PR staff, more than ten forums were held in a year, compared to 12.6% in LGs with no staff. The latter usually held one to three forums a year, obviously because of their much smaller capacity. At the same time, communities with more capacity fell into two groups: those that prioritize one channel of communication, either media or forums, and those that value both channels.

Figure 3.8

Proportion of Availability of Public Relations Strategy Dependent on Formalization of Public Relations Task at Local Governments [% of Local Governments]



SOURCE: LGS 2002.

Table 3.13

Frequency of Public Hearings and Forums Organized by Local Governments Dependent on the Formalization of Staff Assignment to Public Relations Tasks [%]

Frequency of Events	Staff Member to Inform Journalists			
	Main Duty	With Other Duties	No Tasks Assigned	Total
0	26.7	8.1	13.2	12.7
1–3	13.3	53.2	46.0	45.8
4–9	33.3	22.6	28.2	27.1
10 and more	26.7	16.1	12.6	14.3

SOURCE: LGS 2002.

The survey results showed a clear link between the formalization of PR tasks and the frequency and quality of communication between authorities and the community. At the same time, it should be noted that small communities with only around ten LG staff members could not afford the formalization of this function.

However, the formalization of PR tasks does not always mean that all PR tools were intensively used by local governments. Having more specialized staff does not mean that LGs develop PR policies more often in comparison with the communities

without any PR staff at all. The formalization of PR roles does not mean its effective institutionalization and vice versa. Why?

One possible explanation could be the insufficient professionalism of staff in dealing with more complex, strategic PR issues. Presumably, it would be more efficient and effective for many of the local communities to contract out this complex internal service, and/or to develop forms of cooperation with the regional level in managing these functions, with a greater emphasis on the external targets of PR. For the central government, this PR task would be combined with the task of representing interests at the central level more effectively.

2.3.2 Corruption in Local Government

2.3.2.1 *The Legal Context*

Estonia has developed a rather comprehensive normative context for the prevention of corruption in the public sector. Estonia has ratified the Council of Europe Civil Law Convention of Corruption (2000) and the Criminal Law Convention on Corruption. In February 2002, the government launched the preparation of a program for fighting corruption and in June 2002 a government committee of experts was established for that aim.

The new Anticorruption Act adopted in January 1999, largely departs from the norms and traditions accepted in the EU. The Anticorruption Act regulates three mechanisms of corruption prevention:

1. A mechanism for identifying conflicts of economic interest through declaration by officials of their property and sources of income. Local councilors, members of local government, leaders of public organizations, and members of the boards of private or nonprofit organizations in which the LG has shares (or has membership or acts as founder) must prepare an official declaration of economic interests annually. In addition, since 2000, the personal salaries and benefits of all government employees should be (and usually are) made public on the websites. This requirement does not extend to other budget organizations' employees, except their higher managers;
2. A list of restrictions on employment and activities in other roles and sectors. Public officials cannot act in a leadership capacity in private organizations or contract public services to organizations in which they have an economic interest (shares) or where their relatives work. Local government can adopt its own list of persons who are subject to the Anticorruption Act (Ch. 4–5, paragraph 19).
3. Actions in relation to other subjects in the public sector.

The law also contains a Code of Public Service Ethics. The Public Services Act establishes restrictions (some of which are also in the Anticorruption Act) on all public services to prevent conflicts of interest.

The Public Procurement Act establishes conditions and mechanisms of various types of public procurement—first of all, the purchasing of assets and the contracting out of services and construction works. The act establishes the minimum financial value of transactions or contracts that must be subject to competitive tender. Until recently, this was around EUR 13,000, but the government is about to raise the threshold. Depending on the contract cost, there are four types of competitive tendering—from a completely open tender to one with special conditions allowing the selection of a certain bidder. The concluded contract can be and usually has been a secret deal accessible to a limited list of persons and institutes. This “hole” in the legislation has enabled corrupt behavior during the conclusion of a contract and after.

In the Transparency International Corruption Perception Index of 2001, Estonia was 28th with a grade of 5.6, which was the best place among CEE and post-Soviet countries and higher than Italy and Greece among the EU countries.

The BEEPS survey of 1999 established that 65% of companies have paid bribes at least once. The largest proportion was for government contracts (34.5%), to receive licenses (26.5%), and for customs (15.2%). But the intensity of corruption (mostly, frequently) was only 12%, which was the second lowest among the surveyed countries.

The government has ordered regular polls on corruption. In 2001, 83.5% of Estonian residents reported that they had not experienced corruption (in 1998 the percentage was 69.4%). Corruption is regularly a concern of 1.2% of residents. Half of those who gave a positive answer have experienced corrupt behavior once (<http://www.jti.ee/et/tie/korruptsioon/analysid.html>).

Only 33% of respondents thought that public servants are not involved in corruption, whereas 12.5% thought that almost all of them are. There has been no survey specifically on corruption in local government. Estonians interpret corruption mainly as bribes or the use of status for personal benefit. Since, in bribery cases, the residents who give bribes can also be prosecuted according to Estonian law, one-third of respondents refused to describe their cases. The most frequent cases of corruption were: bribes to acquire or retain jobs, to receive better medical aid, to receive documents and to facilitate the process, bribes to police after traffic violations, etc.

2.3.2.2 The Institutional Context

Estonia has established a very liberal version of the market economy as well as extensive delegation of service delivery roles to independent public, nonprofit, and private organizations. All public management has been oriented to results and to economic and

financial rationality. Residents with inadequate income or poor access to those services are partly compensated by the government.

This institutional model of governance should diminish traditional bureaucratic pathologies. But the liberal model of governance requires rather effective control and accountability systems. Otherwise, it is extremely conducive to corruption, not to speak of self-interested behavior. There are three main ways to develop such checks:

1. There should be a robust mechanism to enable public (residents') control over the use of public money. The section of this chapter dealing with transparency demonstrated some obvious progress in that direction in Estonia. But most financial decisions, especially purchases and contracts, are "blind," either because of the secrecy of contracts or because of the low professional capacity of the public to adequately assess transactions. The main purpose behind the centralization of the National Investments Program was to prevent corruption in the contracting out of government-financed investments.
2. Political control by council and factions can provide a check, and we will analyze this issue later in the chapter. Current institutional configurations of LG are not always conducive to the development of those channels of control, since the identities of council and the development of party politics in smaller communities does not enable the development of effective checks. An analysis of the budgeting process at the local level (Sootla et al. 2002) revealed that horizontal and vertical balances emerge in larger communities and to some extent increase the efficiency of political control and accountability.
3. Channels of administrative control are another possibility. Neither the State Audit nor the Legal Chancellor (as ombudsman) has substantive supervisory and control powers over local authorities. The State Audit office can only control the use of resources provided by central government and the Legal Chancellor can only check the correspondence of LG acts to superior acts. Violations of laws and unlawful actions of public officials can be contested only through the court system. A county governor can contest an unlawful action of local authorities *ex post* in the courts, on behalf of every legal subject, i.e., citizens. Residents have a right to ask for reconsideration of the decisions of local authorities that violate their individual interests.

The majority of LGs do not have internal administrative control structures because of their small size. But there are external checks such as banks (in the case of borrowing) and licensed auditors (in the case of the annual budget audit). These external actors can not directly prevent corrupt actions, but they can make the evaluation of financial transactions and decisions much more transparent and neutral. In a local government where an internal audit exists, it exercises the same kind of control over the subordinate

administration as council's audit committee. There has not been enough good analysis of the effectiveness of internal audits. Case studies provide evidence (Sootla 2002) that in the case of structured and planned actions, council could play an important role in exerting ex ante supervision and even in analysis of the current costs and expenditures, as well as projects.

There were several discoveries of corruption in larger cities and towns that resulted in court cases. But these were often ex post discoveries initiated by the political opposition with the aim of dissolving a coalition. That is, the discovery of corruption comes about as a result of political competition and does not work in cases of collusion that are rather common in small communities.

In our survey, the indicator of such control was the frequency of review of the costs and efficiency of administration by councils. The question asked was: "Over and above hearing the usual and mandatory reports, did the council review any of the following at some time last year?" Three different targets of the scrutiny were differentiated: administration and administrative costs, local government services costs, and local institutional costs. Respondents' answers are shown in Table 3.14.

Table 3.14

Frequency of Review of Costs and Efficiency of Administration by Councils [%]

Indicator	Latvia	Hungary	Estonia
Review of administrative costs	87.1 (94.8*)	47.7	64.6
Review of institutional costs	70.6 (79.8)	66.9	71.1
Review of services costs	84.7 (88.5)	54.1	52.8

NOTE: * Indicator of frequency in the largest communities.

SOURCE: LGS 2002.

We saw considerably more intense activity in Latvian councils in checking administrative and services costs. This is not at all surprising, because in Latvia the power balance between the representatives and the executive is inclined more towards council. We did not see a meaningful difference in the checking of LG institutional costs, which is the most frequently used channel of supervision in Estonia and especially in Hungary. In Estonia, because the politically appointed mayor plays a key role in the administration, it is more difficult for the administration to resist council's interest in analyzing administrative costs. This activity is significantly more intensive and council more active in the smallest communities, in which relations between council and mayor are not as favorable as in the larger councils.

Hungary demonstrated significantly less intensity in reviewing administrative costs. Presumably, this is because of the key role of the mayor's office—which is to be

reviewed—in local government. At the same time, council was as active in Hungary as in Estonia in reviewing services and institutional administrative costs, because this is the task of the mayor's office (which seldom resists such attempts to control).

Thus, the system of checks and balances in Estonia provides a relatively favorable institutional context for the development of control mechanisms over administration, but it is not conducive to intensive control over costs.

2.3.2.3 Actual and Perceived Corruption in Local Government

From both the generally accepted and also the official point of view, local government (along with police, customs, and border guards) is the most corrupt sector of the public service. Estonian residents saw the public service as the most corrupt (29%), but they also identify politicians (24%) and police (15%) (<http://www.jti.ee/et/tie/korruptsioon/analyySID.html>). Several areas or links of governance were identified, where the preconditions for corruption as well as actual corrupt behavior are the most developed (see OSI 2002, <http://www.jti.ee/et/tie/korruptsioon/analyySID.html> for analysis).

Estonian property reforms relied on a very liberal and radical (fast implementation) conception of competitive privatization and the restitution of property rights that had been violated by the Soviet regime to a rather extensive circle of relatives (Lugus and Hachey Jr. 1995, Stark 1992). Larger enterprises were privatized by the State Privatization Agency, which was under the very close political control of its council. This Treuhand model was applied even more successfully than in East Germany (Beyer and Wieghols 2000), i.e., in the sense of sensitivity to corruption.

However, the local or regional government handled the majority of cases of privatization and/or restitution of property rights, primarily involving apartments, but also small municipal companies. The access to inside information in exchange for benefits was the least insignificant form of corruptive action. This was supplemented by falsification of documents and creating obstacles for the lawful owners in favor of those who were ready to pay bribes.

The financing of elections has been a potential device for covert and corrupt actions in larger towns and cities. This potential was realized through other channels prone to corruption, such as procurement contests, making it rather difficult to discover.

The managing and renting of local government assets is another area vulnerable to corruption. The most widespread opportunity for corrupt practices has been the conclusion of long-term rental contracts at low prices that enable the unlawful subletting of real estate for up to fifteen times more than the original fee. Very often these actions involved obligations to invest in the assets, but in reality these obligations were often ignored by the renters and not controlled by local authorities. The other widely used method of corruption was the privatization of LG government assets (apartments)

without competition on the basis of nonmarket pricing. The existing law favored such transactions. According to the law, assets were transferred into the LG budget according to its investment or (in the case of municipalization) the nominal balance price, which, in larger towns and especially cities, could be up to ten times lower than the market price. The Estonian government cabinet has once been forced to resign over the use of such a scheme of privatization of apartments by the Tallinn city government.

Since the decline in the intensity of privatization, public procurement has become one of the most corrupt links in local governance. A huge variety of semi-legal devices exist which enable individuals to meet the requirements of the rather clear rules and limitations on procurement, while at the same time circumventing the obvious intent of these rules. The intentional shortening of the period between the announcement and deadlines for application, or the low visibility of the advertising of the contest, are aimed at ruling out potential applicants in favor of a certain individual. Contracts can also be divided into parts, so that the cost of each part is below the threshold requiring a tender. Corrupt practices often resulted from “blind” contracts that were either too disadvantageous for LG or involved an increase in costs of the contract during the course of its implementation.

Excess benefits for officials are another form of corruption. These are usually covered under various legally permitted activities, such as travel to an exotic location during the best season for a “training course.” The purchase of cars is another legal benefit, as well as the drawing up of employment contracts with party comrades close to elections, that include considerable compensation in case of resignation after the election. Rather frequently, new and unnecessary administrative positions were opened to provide patronage jobs.

Our survey of CAOs tried to identify the assessment of the behavior of local business and local civil society organizations concerning conduciveness to corruption. Firstly, in all dimensions the impact of local business is moderate and to some extent it is more intensive in the largest communities (Table 3.15). The exception was the selfish behavior of local elites, which had relatively the same intensity in the smallest and largest communities.

Our survey showed that the impact of local business and pressures from local enterprises on LG decisions was connected with the following convictions:

- a) “Local elites try too much to influence decisions of LG in their own interests” (correlation rate of 0.343 and 0.449); and
- b) “Some local businessmen try to use local authorities to promote the interest of their firms” (correlation rate of 0.305 and 0.301).

The scales for the two statements were in reverse directions. At the same time, these statements did not correlate at all with the statement, “Local businesses try to assist in the solution of local problems” or other questions on LG roles in local life. Thus, a considerable proportion of respondents linked the impact of businesses with

their attempts to achieve some benefits from their influence on local authorities. These assessments did not depend upon the size of the community.

Table 3.15
Assessment of Local Government Susceptibility
to Business Influence by Size of Community (7-Point Scale^a)

Influence of Local Business	Size of Community by Population				Total
	Less than 1,000	1,000–1,999	2,000–4,999	5,000 and More	
Pressures from local enterprises	2.90	2.94	2.98	3.46	3.06
Local elites try too much to influence decisions of LG in their own interests	3.41	3.03	3.28	3.64	3.27
Impact of local business on LG decisions	3.21	3.05	3.60	3.88	3.41

NOTE: ^a1—do not agree at all; 7—completely agree.

SOURCE: LGS 2002.

A second finding was that attitudes towards the activity of local civic organizations were overtly supportive. The election of local civic organization leaders was not seen as a problem in terms of possible selfish interests of the organization and its target group (Table 3.16).

Table 3.16
The Influence on Local Democracy of the Election
of Leaders of Civic Organizations as Councilors [%]

Possible Influence of Membership in Council	Assessment				
	Surely Yes	More Yes than No	More No than Yes	Not at All	Do Not Know
Enables better understanding of local residents' needs	59.8	29.9	2.6	2.6	5.1
Increases the role of civic organizations in local life	44.4	40.2	2.6	4.3	8.5
Enables better communication with these organizations	47.0	38.5	5.1	5.1	4.3
Enables better collaboration to get financing from LG budget	7.7	23.9	19.7	26.5	22.2
Eases the control over civic organizations	13.7	34.2	17.1	9.4	25.6
Increases the support of local authorities by those organizations	14.7	46.6	11.2	12.9	14.7

SOURCE: LGS 2002.

An overwhelming majority responded positively to the first three questions, which focus on the positive side of relations between authorities and civic organizations. Respondents' answers to the other questions were more controversial. Firstly, the proportion of "don't know" increased up to one-quarter of all of responses. Abstentions to certain questions (compared to others where it was rare) could be interpreted to mean either that the respondent did not have any experience on that issue, or that the issue was a sensitive one and the respondent was unwilling to express his or her opinion. To the direct question about the partiality of leaders of civic organizations as councilors ("to get financing from local budget"), 31.6% of respondents confirmed that it was a possibility, although only 7.7% were absolutely sure.

The general position, therefore, seems to be that "there could be some problem, but exactly what it is, I do not know." What was even more interesting is that a proportion of the respondents interpreted the question on control over civic organizations and support to council by involved organizations in clearly negative terms, even though the question focused on the integration of government and community relations, which is a premise of effective democracy. Besides the negative answers, the proportion of "don't know" answers was also rather large.

That is, the local councilors in general approved of having leaders of local civic organizations as councilors. But they do not yet understand the roles these organizations could play in local democracy, nor do they completely understand the relationship between civic organizations and authorities. The majority of them was not sure that closer involvement of local community organizations—and consequently close feedback about and control over them—would strengthen local democracy and diminish the space for corruption.

2.3.3 Checks and Balances at the Local Level

2.3.3.1 *The Formal Context*

The institutional balance in Estonian local government is defined in rather general terms in the LGA. Formally, Estonia has a council–mayor (cabinet) system (Svara 1990; Mourizen and Svara 2003), where the representative power of council is well balanced between the relatively independent mayor and government. Although all authority formally emanates from the council, it focuses on the legislative roles and fiscal roles (budget, fiscal obligations, and assets). The government is not only an administrative body, but also prepares proposals for council decisions (including legal acts) and makes decisions (issues acts) and acts in areas that are not within the formal competence of council.

The LGA was intentionally designed to avoid the characteristics of the committee system in terms of its horizontal division of labor, where council committees can play important roles through the direct influence on government and administration (Sootla 1996). Thus, the politically appointed mayor formally represents the whole executive in relations between government (and its services) and council and its support structures. Hence, the council has very limited possibilities of direct intervention into government affairs.

The council appoints the mayor, but cannot select members of government, i.e., it can only approve or not approve the mayor's appointments. When council meetings are public and civil servants can serve as members of council committees, the meetings of government are closed and the chairman of the council must have a formal invitation to attend government meetings. The mayor also has the sovereign authority to appoint a civil service, including the third most important person in the institutional framework of local authorities—the town or parish secretary. The mayor also appoints the leaders/managers of LG agencies and public organizations. Thus, the government is rather independent in acting and in developing legislative proposals that can be checked mainly by political means. In this, the status of head of government is completely different from the status of local manager—the third main actor in the institutional balance at the local level that is absent in Estonia (Svara 1990).

A member of council can initiate an inquiry, which is a legally regulated procedure. Council and its members can also initiate a vote of non-confidence in the mayor and the members of government. As soon as the mayor is appointed by the governing coalition, he or she can be checked by other political channels (factions or the coalition council), but these two devices of political control and transparency are used mainly by members of the opposition. Hence, the effectiveness of political control depends to large extent on the stability and strength of the opposition and factions.

However, the strong positions of mayor and government do not mean that the role of council is weak or secondary—rather, the contrary. As Estonian laws mainly establish a legal framework for the institution-building and management of the local community, local councils have developed a huge number of policy documents and legal acts that regulate different institutions and play an important role in steering the financial affairs within the local community. Besides, as Estonian local government is also internally rather decentralized and many public functions are delegated to quasi-public and private law subjects, the council has a major role in supervision and in holding those organizations accountable. Hence, we could also speak about the effectiveness of checks in the vertical dimension.

The main body responsible for supervising the work of government is the audit committee. This is the only committee for which the members must be members of council. Members of the other committees—except for their chairs—can be appointed from the community. Besides the main task of supervising the legality of actions of

government, the committee can and often does control the efficiency and feasibility of the work of government and public organizations. It can also assess the effectiveness and feasibility of the use of assets and finances that LG has devolved to economically independent municipal enterprises, NGOs, and foundations. Audit committees of many municipalities organize this kind of substantive analysis of activities on a regular basis, according to previously accepted plans. The checks and balances can be weakened here, because the audit committee is served administratively by the mayor's office.

The final audit of an LG budget is delegated (according to central law) to private (but certified and recognized) audit companies, whose report forms the basis of the LG report on budget implementation to the Ministry of Finances. This neutral external audit also facilitates the financial and real estate transactions of LG, because it offers adequate proof of available data.

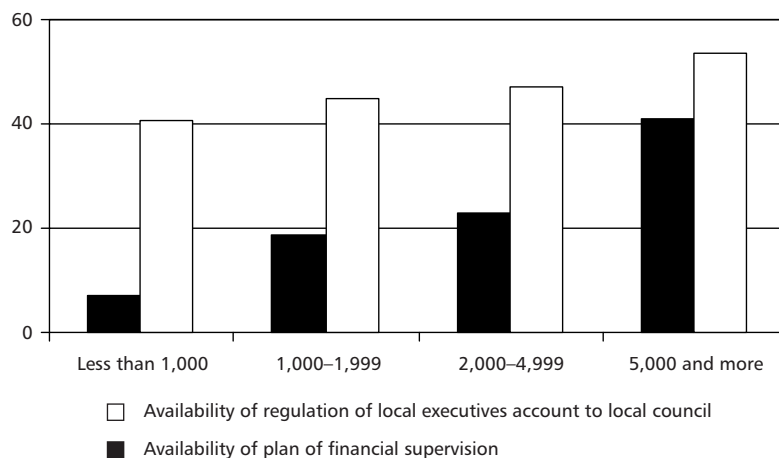
In the largest LGs, the government has also established a special unit of internal audit that is not feasible in communities where the staff in the local administration does not exceed ten people and where only a few public organizations are managed by the LG (this describes the majority of LGs). In larger communities, the audit committee of council would not deal with such an extensive task as control over the units and organizations of the local administration. Besides, this also assumes high professional auditing skills. Therefore, in these communities council has less intensive regular control over the executive but would initiate an audit in cases of extraordinary need. At the same time, the division of labor between the audit committee and the internal audit unit should be more elaborated in management practice. Present practices revealed many gaps in managing the control procedures in LG (<http://www.jti.ee/et/tie/korruptsioon/analyyisid.html>).

Figure 3.9 indicates that regular fiscal control outside of the regular budgeting process is more or less formalized in larger communities. But fiscal control also has a consultative role, to assist members of council to understand the financial problems of organizations. Therefore, the extent of the actual control beyond the routine or normatively regulated forms of accountability has been rather intensive in Estonian local government.

The survey revealed a slightly more active stance of smaller and larger municipalities in reviewing their administrative costs (Table 3.17). While for the smaller communities the problem would be the high proportion of administrative costs in the budget (around 18% on average), for the largest communities the trigger for a more active review would come from the political opposition, because the general administrative costs of these LGs were only 83%.

The smallest LG units revealed lower activity in reviewing the service costs of independent organizations, but higher activity in reviewing the service costs of their own administration. This is also not surprising, as smaller communities face difficulties in devolving and privatizing services because of high economic risks. The local government or its unit often delivers those services that were usually privatized in larger communities. (This is also one objective reason for higher administrative costs.)

Figure 3.9
The Proportion of Local Governments Having Plans
and Procedures for Control over Administration by Size of Community [%]



SOURCE: LGS 2002.

Table 3.17
The Proportion of Local Governments Where Council Used Controls
beyond the Normatively Regulated Forms of Accountability [%]

Form of Accountability	Size of Local Community by Population				Total
	Less than 1,000	1,000-1,999	2,000-4,999	5,000 and More	
Review of administrative costs of government	73.1	62.4	62.2	68.5	64.6
Review of costs of services provided by LG independent organization	51.9	70.3	73.6	77.8	71.1
Review of costs of services provided by local administration	60.7	51.0	53.9	50.0	52.8
Accountability for finished project	55.6	78.0	71.9	62.3	70.6
Accountability for the activities of LG organization (e.g., financial)	71.4	70.7	70.0	75.5	71.5
Accountability for waste of money that was publicized by citizens or local press	25.9	17.2	18.4	31.5	21.3

SOURCE: LGS 2002.

These results demonstrated that the role of plans and formal instructions is more feasible in larger communities and, in general, the actual practices of LG should not necessarily be so formalized. The smaller the community, the higher the role of informal, ad hoc practices. This is confirmed in our analysis of the effectiveness of project management in local communities, which is discussed later in this chapter.

The issue of whether or not the delegation of LG tasks, assets, and finances to independent public organizations and private law subjects such as municipal enterprises, etc., would increase the transparency and accountability, should not be considered in an abstract manner. Experience in Estonia has made a number of things clear about this (Sootla et al. 2002):

1. The devolution and institutionalization of such activities enables the development of supplementary internal balances and, hence, devices of external control over the implementation of laws and service delivery. Control of those activities via bureaucratic means in small communities would be more complicated (especially from the viewpoint of effectiveness and feasibility) because of the difficulty there in developing bureaucratic neutrality. That is, this device would reduce the potential conflict of bureaucratic roles in the exercise of control over the public services.
2. The devolution to political bodies instead of administrative decentralization (Pollitt et al. 1997) would considerably enhance the means of political control over private law subjects. In addition, the effectiveness of control and prevention of corruption depends to a large extent on the development of political competition and the party system at the local level.
3. Such devolution could facilitate a better balance between the cost of formal compliance and the gains that would result from economic independence. The creation of organizations regulated by private law, but affiliated in different ways to the LG, is very reasonable (although there are cautions). In this way the principles and values of classical public administration and budgeting could be well combined with modern practices of public management, first of all with market-type mechanisms. In other words, the development of a network-type structure at the local level permits the retention of an administrative core that would promote basic values of governance, i.e., democracy, equity, and reliability.

These considerations of a general, systemic design of local governance according to (post)modern concepts (Bogason 2000) would outweigh the difficulties in establishing effective mechanisms of control. However, any configuration of politico-administrative relations at the local level contains a natural tension between democratic control and accountability on the one hand, and efficiency and effectiveness, i.e., economic rationality, on the other hand.

2.3.4 Checks and Balances in Institutional Roles

The local community in Estonia has to develop its own legal framework independently, according to the very general normative context established by national legislation. Therefore, one can encounter considerable differences in governance practices in Estonia.

Our survey made it possible to check some characteristic variations. First of all, we were interested in how LG officials see the actual influence of different actors at the local level and, therefore, how they balance each other, which is the basic precondition of checks and balances.

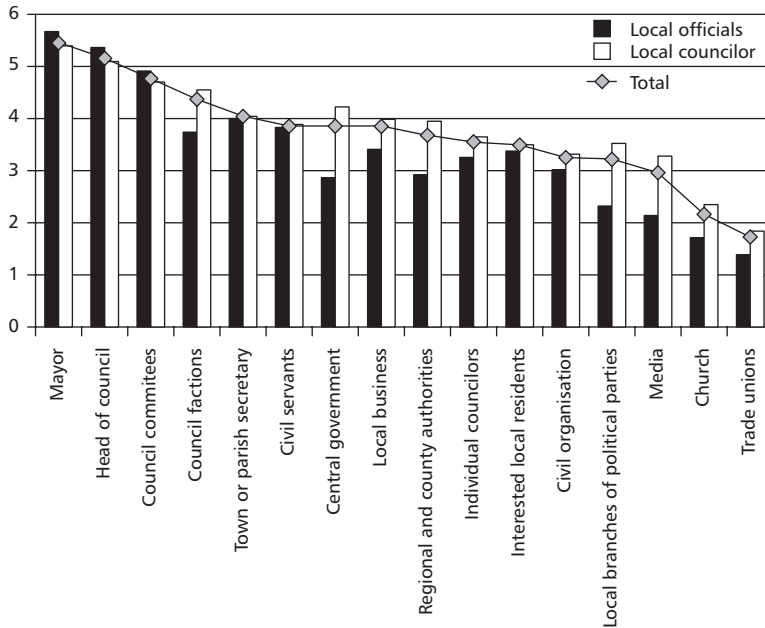
Figure 3.10 shows that the main actors and institutions in Estonian local government are balanced. The strongest position—mayor—is counterbalanced by the strong positions of the council’s “working” members, including the head of council and the committees. Naturally, members of the administration found that civil servants have more impact on LG decisions and policy, whereas members of council found the impact of factions and individual councilors to be greater. Members of the executive see the leading institutions of LG as stronger than the members of council. The difference in means between the strongest and weakest internal actors was 2.43. The latter estimated the contribution of all actors—especially noninstitutional actors—as more equal and comparable (a difference of 1.84).

The roles of the different institutional or noninstitutional actors vary depending on the size of the LG. Figure 3.10 shows both councilors’ opinions on the impact of government actors and government actors’ opinions on the impact of council actors respectively.

The main changes in institutional balance depending on local government size were:

1. The mayor’s influence was weaker in the smallest municipalities (mean of 5.05). His/her role increased gradually in medium sized and larger municipalities, up to 5.52 (mean).⁷ The mayor’s influence in towns was only slightly higher, so the variable of size was decisive;
2. The role of the head of the local council in parishes was more or less the same, but considerably lower in towns;
3. The role of council committees increased moderately in medium sized municipalities and remained the same in larger municipalities and in towns;
4. The role of Chief Administrative Officer decreases gradually with the increase in the size of municipality, being highest in the smallest (mean of 4.55) and lowest in larger municipalities (mean of 3.89); and
5. The role of factions was lowest in the smallest municipalities (mean of 3.69) and gradually rose with the increase in size of the municipality; reaching 4.68 in larger LGs. Towns have the highest strength of factions at council (4.82 on average).

Figure 3.10
The Impact of Different Institutional Actors
on Decisions of Local Government (7-Point Scale*)



NOTE: * 1—no influence at all; 7—very big influence.

SOURCE: LGS 2002, LRS 2002.

Here we can observe two interrelated trends that would indicate the role of administrative and political capacity in balancing the institutional context and in developing more effective checks and balances.

Firstly, the role of mayor, council committees, and factions increased with the increase in size of the municipality. At the same time, the impact of civil servants on decisions as well as their politicization did not increase. An exception to this was found in the smallest communities where the politicization and the role of civil servants were respectively higher and more important. That is, in larger communities the institutional context for professional and politically balanced policymaking is more favorable. In smaller communities, the lack of professionalism of these bodies leads to a more significant role for the CAO, while it decreases in larger communities, which have more professional staff. Some smaller sized communities have even provided to the CAO the right of countersignature to the legal acts. This provision could prevent the enforcement of acts that contradict superior legislation and/or are incorrect from a normative-technical point of view.

Table 3.18
The Impact of Size and Type of Local Government
(Parish, Town) on Institutional Balance (7-Point Scale*)

No.	Actor	Size of Local Community		Type of Local Government	
		Less than 1,000	5,000 and More	Parish	Town
1	Mayor	5.05	5.52	3.42	5.62
2.	Head of council	5.42	5.03	5.27	4.86
3.	Committees	4.52	4.71	4.80	4.67
4.	Factions	3.69	4.68	4.17	4.82
5.	Town or parish secretary	4.55	3.89	4.09	3.88
6.	Civil servants	4.05	3.79	3.90	3.77
7.	Councilors	3.58	3.42	3.61	3.42

NOTE: * 1—no influence at all; 7—very big influence.

SOURCE: LGS 2002, LRS 2002.

Secondly, the role of the head of council decreased as the role of factions increased. The most important variable here is the parish/town cleavage, which would indicate a decrease of particularistic political connections and an increase in political party institutional arrangements.

Table 3.19 shows that smaller local councils would like to contest proposals of the mayor more often. This would be explained by the weakness of the political party dimension of control and in the political harmonization of mutual checks.

Table 3.19
The Role of Cooperation between the Assembly
and the Mayor Dependent on the Size of the Community [%]

Pattern of Cooperation	Size of Local Community				Medium
	Less than 1,000	1,000–1,999	2,000–4,999	5,000 and More	
Majority of council almost always supports positions of mayor	29.6	50.0	55.7	66.7	51.1
Support of majority depends on issue to be discussed	70.4	50.0	43.0	33.3	48.4
Position of mayor is rarely supported	—	—	1.3	—	0.4

SOURCE: LGS 2002.

2.3.5 Conclusion

During the 1990s, local government in Estonia developed a rather transparent and balanced institutional system. The small size of a community and the lack of party politicization are usually seen as providing a more favorable context for close relations between the state and society. It was interesting to note that this was negatively linked with both transparency and the ability to develop effective checks and balances in ensuring good (effective) governance. At the same time, we would not like to conclude that the only remedy would be to increase the size of local communities, since we did not study the shadow dimensions of large local communities in this analysis.

2.4 Effective Local Government

In the theory of modern governance (Kooiman 1993; Pierre 2002), “governability,” or the effectiveness of governing for and with people, is defined as the ability to balance both needs and capacities in the policy process. In the following section we examine this capability within different dimensions, starting with the capacity of the local community and its administration. The main indicator of democratic governance in this dimension is self-sustained development, which includes the reproduction of the local population, the growth of the local revenue base, and the ability to make investments to increase the capacity and professionalism of the administration.

2.4.1 Capacities of the Local Community

2.4.1.1 Resource Capacity

Previously in this chapter we analyzed the reasons why—despite constitutional guarantees—obstacles in developing own-source revenue emerged. The main reason was an imbalance between restrictions in developing own revenue and freedom in spending. In the following section, we would like to consider whether there are also some intrinsic reasons that would cause obstacles in capacity-building in LG.

2.4.1.1.1 The Demographic and Geographical Dimension

The amount of revenue from taxes depends on the demographic structure of localities. Indices of the reproduction of the workforce and of age structure are less favorable in both the smallest and the largest communities (Suvi 2001) (see Table 3.20). In this sense, the communities with between 2,000 and 10,000 inhabitants seem to have a more favorable demographic situation. Other variables that would influence the tax basis are the availability of jobs in the local community and the problem of fluctuations in migration, sometimes referred to as “pendulum migration.” There are no national statistics for employment migration in Estonia, especially statistics that would differentiate between neighbourhood mobility and more long distance employment mobility. A selective study of some communities indicated that around 20% to 30% of the inhabitants of parishes were employed outside of their own communities.

Employment migration would not have a negative impact on local revenues, because taxes are collected according to place of residence. But this form of migration does harm and has already caused crises in family life.

The level of unemployment is equally high among all sizes of local communities (from 10.4 in large communities (4,000–10,000 inhabitants) to 16.1 in communities with populations of 1,000 to 1,999).

Table 3.20
Age Structure of the Population and Reproduction
of the Workforce According to Size of Local Community [%]

Index	Size of Local Community by Population					
	Less than 1,000	1,000– 2,000	2,001– 3,000	3,001– 4,000	4,001– 10,000	10,000 and More
Ratio of children versus elders	0.80	0.92	1.02	1.05	1.03	0.89
Reproduction of labour force*	1.29	1.43	1.49	1.54	1.50	1.34
Total rate of population reproduction	1.05	1.18	1.26	1.30	1.27	1.12
Actual unemployment rate	15.5	16.1	13.8	14.4	10.4	13.1

NOTE: * Reproduction of population—ratio of children versus elderly; reproduction of labor force—ratio of those entering the labor market versus those who are close to retirement.

SOURCE: Suvi 2001.

However, the actual amount of individual income tax depends on the general level of remuneration at jobs (which increases revenue), on the one hand, and on the general proportion of individual income that is not taxed (which decreases revenue), on the other hand. Currently, this is established at the level of 1,000 EEK (75 USD). The decision to increase the level of tax exemption was not only made without LG representation at trilateral negotiations (government, trade unions, and employers organizations), but—even more important by the criterion of autonomy—the central government does not compensate LG for these losses. The last such increase in 1999 resulted in a loss of around 10% of personal income tax (PIT) revenue for medium sized communities.

Actually, the most important variable for financial capacity is remoteness from Tallinn and other large towns, where a substantial proportion of the residents in parishes and smaller towns seek employment opportunities (see Table 3.21). According to an analysis of L. Suvi (2001), the capacity of LG units decreases 2% for every ten kilometers of distance from Tallinn. Thus, the capacity of local communities near Tallinn is almost two times higher than those located 200 kilometers from Tallinn but similar in other respects.

Table 3.21
Income Groups by Geographic Region (1998) [%]

Income per Capita [EEK]	Tallinn and North	Northeast	West	Central	South	Number of Municipalities
550–1,163	0.0	16.4	19.0	15.5	46.5	51
1,164–1,405	0.0	20.0	15.5	25.4	14.0	51
1,406–1,726	0.0	21.8	25.9	25.4	14.0	51
1,736–2,148	15.4	30.9	24.1	16.9	7.0	50
2,150–5,990	84.6	10.9	15.5	16.9	2.3	50
Total [%]	100.0	100.0	100.0	100.0	100.0	—
Total [Number]	26.0	55.0	58.0	71.0	43.0	253

NOTE: The tax exemption in 1998 was 800 EEK.

SOURCE: Raus 2000.

2.4.1.1.2 Prospects for Increasing the Revenue Base

The expected strong variation in the proportion of own revenues in Estonia does not exist, according to official statistics (Table 3.22). However, it should be noted that the

main source of own revenues is the shared or state taxes collected by the central tax administration and transferred to local budgets. Strictly speaking, then, those revenues are not own but transferred revenues.

Own revenues of the largest communities were 25.2% higher than in the smallest communities.

Table 3.22
Own Revenues as a Proportion of Total Revenues
of Local Governments by Size [%]

Size of Local Community*	Year		
	2000	2001	2002
Estonia	66.66	59.34	56.13
less than 1000	46.38	38.08	39.37
1000–1999	48.59	41.67	42.15
2000– 4999	52.12	45.13	45.26
5000 and more **	59.87	51.07	49.31
Tallinn	87.54	80.08	73.17

NOTE: * The role of the capital, Tallinn, in the total financial results was so large that its inclusion could distort the real picture. Therefore, we have excluded Tallinn from the general statistics.

** Excluding Tallinn and Tartu.

SOURCE: Own calculations based on data from the Agency of Statistics.

http://gatekeeper.stat.ee:8000/px-web.2001/Database/Majandus_regionaalne/Majandus_regionaalne.asp.

Personal income tax shows the greatest variation—75% higher in the largest communities than in the smallest. This means that the other sources—first of all, land and resource taxes—have balanced the proportion of own revenues in communities of different sizes. Own revenues were not only below 50%, but were gradually decreasing (Table 3.23). In the largest communities the reduction was 28% over three years. This is mainly because of decreasing opportunities for asset deployment and because a large expenditure item—the teachers' salary payroll—was transferred to the local level as an earmarked grant.

The personal income tax is a shared central government tax (56% goes to the LG budget). The central agency could manage the transfer of this tax to the LG current account rather well. Last year several policy proposals were presented to make this tax a local tax, as was done with the land tax. This would allow local governments to determine local differences in the tax rate.

Table 3.23
Proportion of Personal Income Taxes
in Total Revenues of Local Communities by Size [%]

Size of Local Community	Year		
	2000	2001	2002
Estonia	46.54	36.16	34.87
less than 1,000	21.94	20.12	20.89
1,000–1,999	25.20	21.07	22.89
2,000–4,999	36.68	31.34	32.51
5,000 and more*	43.03	36.56	36.50
Tallinn	40.13	40.18	38.48

NOTE: * Without Tallinn and Tartu.

SOURCE: Own calculations based on data from the Agency of Statistics.

http://gatekeeper.stat.ee:8000/px-web.2001/Database/Majandus_regionaalne/Majandus_regionaalne.asp.

The data also show that there has been a decrease of loans in LG budgets. In 1996, the proportion of loans in LG budgets was 15.9%, whereas in 2001 it was half of that (6.8%). The existing system of loans has functioned rather well in Estonia and it has promoted local autonomy. Central government only establishes general norms for borrowing. For instance, payments for loans may not exceed 20% of the yearly budget. Loans are given by banks according to the LG business plan, which enables a thorough evaluation of LG financial capacity by banks. The LG only needs to register the loan at the Ministry of Finance, for statistical purposes. The government usually does not provide any guarantee on LG loans, although the law permits guarantees of up to 15% of the loan. Nevertheless, the more libertarian-oriented governments started to make the rules for borrowing more restrictive. To spread financial risks, the Stabilization Fund of LG was created at the beginning of the 2000s in order to assist local governments that appeared to be facing insolvency. This fund is financed exclusively by the LGs themselves, as a kind of collective insurance against unpredicted developments.

There is one rather specific restraint in the realization of local autonomy in Estonian local government that has not received enough attention. The mutual clearance of accounts has become an increasing budget item. Some of this revenue is earned from service delivery to the residents of other (neighbouring) local communities, especially for offering more attractive and competitive schools. Unfortunately, autonomy in this case works against those who can deliver better services, because clear guidelines for payment for these services by neighbouring communities have not yet been elaborated.

Governments departing from a commitment to autonomy prefer not to intervene in the controversial interpretation of those obligations, which often results in long court cases. This has not provided incentives to more capable LGs to increase their revenue base by widening their service delivery area to other communities.

Other revenues did not play an important role in LG budgets. Leaving aside the capital city of Tallinn, local taxes provide only 0.6% of total revenues. The sale of assets and the privatization of public resources were a rather important source of revenue in the 1990s, but its importance decreased substantially at the beginning of the 2000s. In addition, local government could not raise meaningful revenues from shares in service delivery companies, because the prices of services are usually established with a view to ensuring the widest possible access to low-income residents. Income from economic activities provides 3% of budget revenues.

The land tax is a state tax that is collected by the State Tax Agency, but LGs have the discretionary right to establishing a tax rate of 0.5%–20% of the price of the land. At the beginning of 2000, after intensive discussion, the price of land ceased to be administratively regulated. After the market price became the basis of the land tax, these tax revenues became a more important source of revenue.

It is rather doubtful that most LGs could further develop their tax collecting capacity. There is no necessity for it, because the Estonian tax board is quite efficient. Thus, achieving an increase in the revenue base of LGs by extending local taxes does not seem very promising. A redistribution of the personal income tax would also cause the further differentiation of revenues, because the resource base for that tax is increasingly differentiated among the various LGs. Hence, there is no actual way to trigger a mechanism for increasing the revenue base of local communities. According to a recent study, the revenue deficit of local government was 29% (Lauritsen 2000).

2.4.1.1.3 Investments

In the section on autonomy we noted a rather strange confusion in the statistics on investments. The Ministry of Finance's figures indicate that LG investments constitute 18% of all investments in Estonia, a high number that suggests a considerable capacity among LGs. However, a more detailed analysis of investments did not support such optimism. The general numbers were distorted by Tallinn, in which investments were 67.9% of all investments made by LG in Estonia in 2001 and 52.6% in 2002. The general level of investments made by other local governments has been much more modest.

To eliminate confusing statistics we used numbers from the general accounts of LG expenditures that mirrored investments from LG budgets (Table 3.24). We did not include the numbers from the ministry budgets, which reached 5.5% of all expenditures of LG in 2001. The proportion that local governments direct to investments from their

own budgets is actually rather modest. Except for the smallest LGs, where government investment grants play a considerable role, the majority of local governments invest 5–7%, which is a rather low rate of capacity development.

Table 3.24

The Role of Investments in Local Government Expenditures
in the General Accounts of Local Government Budgets [%]

Size of Local Government Community	Investments			Direct State Support of Investments (2001)	Percentage of Local Authorities Where Investments Were Less Than 1% of Expenditures (2000–2002)
	2000	2001	2002		
Estonia	11.88	12.19	9.69	2.07	33.0
less than 1,000	12.48	13.14	8.62	7.18	34.4
1,000–1,999	6.37	5.68	6.36	4.35	42.9
2,000–4,999	5.23	5.69	5.69	3.55	27.8
5,000 and more	7.69	5.39	6.86	2.47	15.1
Tallinn	24.81	22.95	14.04	0.16	—

NOTE: * Without Tallinn and Tartu.

SOURCE: Own calculations based on data from the Agency of Statistics.

<http://www.stat.ee/>.

http://gatekeeper.stat.ee:8000/px-web.2001/Database/Majandus_regionaalne/Majandus_regionaalne.asp.

Table 3.25 shows sources of investments, of which about half come from sources other than own income. Smaller communities as well as larger ones were rather successful in attracting money from or through foundations.

The other important indicator of the investment capacity of local government is the proportion of local communities that made no investments for three years. Among the smallest communities, the proportion making no investments was smaller, because they receive government investment grants. Among LGs with 1,000–2,000 residents (40% of all local communities), up to half were incapable of investing during the last several years at all! The analysis of investors with the largest proportion of investments in the budget revealed two classes of successful investors (Table 3.26). On the one hand, the majority were small communities, where a small amount of investments formed a very high proportion of the budget. These investments came from the state support fund, whereas their own income was considerably lower than the average of their class. The other, smaller class of investors was the prosperous communities near Tallinn where investment activity is particularly intensive.

Table 3.25
Sources of Investments of Different Sized Local Communities (2000)

Type of settlement by number of inhabitants		Own income	Loans	Government of the Republic reserve	Transferred from 1999 year	Investments via ministries	Funds, foundations, etc.	Other	Total
Parishes	fewer than 1,500	27.4	9.9	0.5	0.4	49.4	11.6	0.6	100
	1,500–3,000	50.9	7.4	0.5	0.0	30.7	9.9	0.6	100
	3,000 and more	56.7	6.1	0.0	3.9	30.4	2.8	0.1	100
Towns	fewer than 10,000	26.8	15.0	0.5	0.5	36.7	20.4	0.0	100
	10,000 and more, excluding Tallinn	52.9	6.6	0.1	1.3	24.7	3.9	10.4	100

SOURCE: Sootla 2002.

Table 3.26
Characteristics of Top Investors (2000–2002)

Municipality	Percentage of Investments in Expenditures	Size of Local Community	Percentage of Own Revenues	Amount of Investments [million EEK] 1 EUR=15.5 EEK
Kihnu (island)	42.6	497	20.4	3.5
Käru	42.4	727	33.9	4.8
Surju	40.4	1,029	42.0	4.9
Kõpu	38.9	842	34.3	3.6
Maidla	34.1	779	51.5	5.7
Lasva	34.0	1,783	22.5	5.8
Viimsi	29.8	8,049	77.8	24.3
Jõgeva town	25.3	6,416	38.5	15.0
Tahkuranna	24.8	2,017	41.5	3.0
Mõniste	24.7	1,070	30.3	2.3
Saue parish	24.4	7,331	76.11	12.4
Muhu	23.9	1,865	36.0	4.1

SOURCE: Own calculations based on data from the Agency of Statistics.

Available at: http://gatekeeper.stat.ee:8000/px-web.2001/Database/Majandus_regionaalne/Majandus_regionaalne.asp.

The other item of investment revenues not mirrored in the budget—investments via funds—could cause some trouble in the sense of transparency and strategic planning. The role of this item will increase with the EU accession. Will the control over direct investments by financiers be efficient enough to avoid fraud and corruption? The highly bureaucratic practice of application for EU funds and control over their implementation does not offer a clear answer to that question.

2.4.1.2 The Capacity of Local Executives

This section analyzes the variables that enable adequate assessment of the actual capacity of local executives and variables that hinder or contribute to more effective work of officials in the local administration.

2.4.1.2.1 The Size and Capacity of Local Administration

In assessing the local government and administration in Estonia in comparison with other countries, we should take into account some specific features of Estonia. Firstly, the majority of LGs are relatively small and, therefore, have rather small staffs (see Table 3.3). That is, a majority of local executives does not have a clear structure in the conventional sense. The term “local bureaucracy” is inadequate in Estonia, where organizational units normally consist of one person without subordinate staff. As the size and structure of the government bureaucracy are defined by the LG itself, the differences in local administrative structures are rather impressive.

Secondly, a large percentage of top LG executives is politically appointed as members of government. According to a survey carried out by EMIECO (2001), appointed members of the government executive number, on average, 4.8 members, from three to nine among polled units.

Thirdly, our survey also revealed (see Table 3.27) a medium level of politicization of local civil servants. The size of the local community did not have an impact on the level of politicization. However, councilors tend to think that politicization is linked with incompetence (Pearson’s correlation 0.317). Our results also did not reveal an increasing level of competence with the increase in size of local communities (except for a decrease in the case of the smallest communities). But the thesis that larger communities command a more professional civil service has been presented as a major argument in legitimizing LG amalgamation.

Fourthly, the small size of LG staff is also caused by the further decentralization and devolution of service delivery at the local level. Even employees of public organizations managed by state agencies (school teachers, etc.) are not counted as civil servants of

administration. This practice of new public management could have a rather specific impact on local democracy. Leaders of government organizations and/or private companies (owned by local governments) might play a crucial role in managing local affairs through democratic institutions (council and government). But they can also promote their organizational interests through more covert channels that would erode democracy at the local level.

Recent studies of the private consultation companies EMIECO (2001) and Geomedia (2001) permit further analysis of local executives. A study of outcomes of the voluntary amalgamation of local governments by Geomedia enables more concrete observations about differences in administrative staff in small and medium sized LGs from the point of view of their capacity. In smaller communities, the implementation of tasks is less institutionalized and allows wide discretion in interpretation by officials and their superiors. In small administrations only some officials focus on certain service delivery and law enforcement positions, such as social workers, advisors in land and building questions, or secretaries who are simultaneously responsible for data archives.

Table 3.27
The Role and Impact of the Local Civil Service
As Assessed by Councilors (7-Point Scale*)

Role	Size of Local Community				Total
	Less than 1,000	1,000–1,999	2,000–4,999	5,000 and More	
Political partiality of local civil service	4.22	3.77	3.97	3.95	3.92
Competence of local civil service	3.85	4.60	4.62	4.23	4.41
Impact of civil service on LG decisions	3.64	3.57	3.83	3.65	3.68

NOTE: * 1—very low impact; 7—very high impact.

SOURCE: LRS 2002.

The majority of administrative staff members have multiple functions because of the small size of the administration. They pay more attention to tasks that are closer to their individual preferences or that are preferred by their superiors. Other tasks and responsibilities receive less attention and are considered of secondary importance. Many people, especially those with the most complex tasks, work part time. In general, they have more instrumental attitudes towards work. That is, despite the fact that the administration in small LGs is close to the citizens, the attitude of the civil service is more reactive towards their needs and the work of officials often seems to consist of putting out fires (Geomedia 2000).

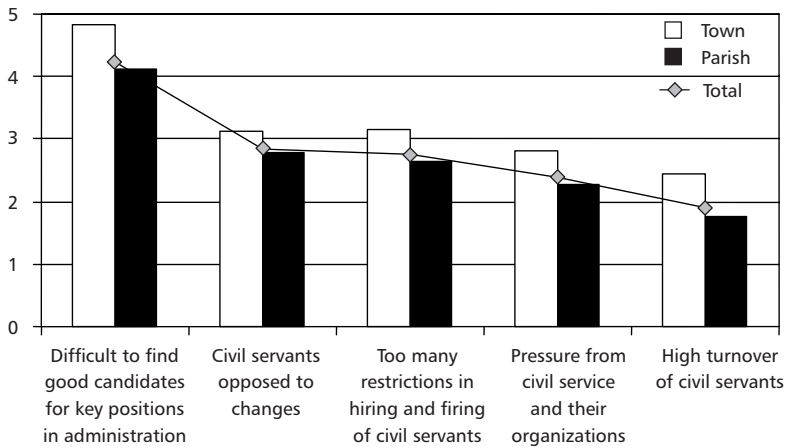
In larger administrations, after amalgamation, a new type of civil servant emerges. Firstly, they now have responsibilities for coordination and policy analysis: specialists on education, culture, health, the environment, and development specialists. Secondly, staff members' responsibilities and accountability become concretized and also increase considerably. Although amalgamation did not result in the meaningful reduction of staff, an increase in workload was reported by the majority of civil service staff. This might tell us about the increase in efficiency and accountability. The third difference is that staff members become able to focus more carefully and more frequently on their target groups. Although this attitude depends on the predisposition of civil servants' specialization, there is an increase in professionalism that contributes above all to the quality of work of the officials. A fourth change can be seen in the role of analytical work as well as the increased involvement of civil servants in strategy elaboration.

Two changes in the LG structure were also observed. Firstly, the structures of local authorities became more similar and comparable with each other. This clearly makes the evaluation of their efficiency and the promotion of cooperation much easier. Secondly, as the general scope of tasks and finances has increased, LG has started to devolve and contract out more services that were previously administered by LG. Hence, increasing local government size has a concrete impact on the capacity of the local administration. But this impact is not so simple and linear as is usually assumed by politicians who insist in thorough amalgamation.⁸ In fact, our study did not confirm the latter argument on the amalgamation of local communities and in some respects even indicated the reverse trends.

Our survey results suggest some trends in the development of the capacity of local administrations. Only a few respondents found the number of civil servants to be too small (3.5%) or too large (2.8%). The majority thought that there should be some increase in staff (63.1%) and almost 30% found the size of administration to be optimal. What was very interesting is that those opinions did not depend to any meaningful extent on the size of the LG administration or on the size of the local community. The turnover of civil servants was considered the least important problem at the local level (mean of 1.89; see Figure 3.11). In local officials' opinion, the problem of finding people with the appropriate qualifications for key positions was considerably more important (mean of 4.24). The latter is used as a central argument by supporters of the amalgamation of local communities: the larger the community, the better the opportunity to staff the administration with qualified persons. Besides, the salary level of the civil service in larger towns is considerably higher than in government services.

The intensity of the deficit of good candidates for key positions dropped slightly in medium sized communities in comparison with smaller communities, but it increased considerably in towns (mean of 4.82), where it becomes an urgent problem. In towns this was identified as the third most urgent problem. Obviously, we need to take into consideration that there are different reasons for this deficit and different definitions of "good candidate."

Figure 3.11
Assessment of the Intensity of Employment Problems
in Local Administration (7-Point Scale*)



NOTE: * 1—not important at all; 7—very important.

SOURCE: LGS 2002.

One reason would be that larger local communities have more complicated tasks and problems to solve. Therefore, higher and probably different qualifications are required. This was also evident in the more critical, if not scathing, assessment of the competence of councilors by officials of towns in comparison with officials of parishes, although the proportion of councilors with a university degree is considerably higher in towns.

Secondly, the labor market in towns is much more competitive and “good candidates” could find attractive jobs in other organizations and sectors. Since the public service in parishes is one of the few and most attractive employment opportunities, LG could involve most of the professional members of the community.

A third argument might be the absence of qualified and professional employees in small communities or the inability of parishes to pay them appropriate salaries or to offer jobs that are challenging enough. This was also revealed in the study of outcomes of amalgamations referred to previously.

Correlation analysis revealed some problems in assessing the variables in the problem of lack of good candidates. This problem is correlated with other general human resource management problems: the opposition of civil servants to change (0.411), problems of restrictions in hiring and firing (0.378), and problems of pressures from employees (0.350), although the general intensity of those problems was rather low. The recruitment problem can also be partly explained by the general institutional inertia of administration and staff in certain localities, which inhibits the hiring of professionals even when they are available.

2.4.1.2.2 Qualifications and Employment in the Civil Service

According to the EMIECO (2001) survey, the typical head of an Estonian LG (mayor or municipal elder) is 46-50 years old, with 33% being even older. Thus, LG heads are considerably older than the top administrators in the central administration.⁹ The heads of LG are 81% male and 77% have higher education, but most of them are graduates of Agricultural University (59%), especially in small local governments.

Most local government heads have a rather stable position. Only one-third were appointed after the election in 1999 (the survey was carried out in 2000) and 43% have survived three elections.

Although the mayor is a political appointee, in smaller communities 39.3% of mayors were not members of parties. In other communities, mayors were more frequently members of parties or electoral unions, i.e., from council. Partisan involvement increased considerably before the elections in 1999 (see section 3.1). Almost all (94.6%) respondents reported that their mayor belonged to a party after the 2003 elections. In other words, LG heads in smaller communities were obviously the most respected leaders in the local community and to a lesser extent were lifted into office via their party career. In small communities where the choice is rather limited, even forced party membership could not reduce the autonomy of the mayor very much. But this, as we will show in the next section, does not mean that those top executives are more independent in decision-making at the local level.

The Estonian civil service at the local level has a rather high level of formal education, with 49% having a university degree and 36% a diploma (applied higher education). But as only 10% of them were younger than 30 in 1999, the majority had finished their studies in the Soviet period (for age structure see Figure 3.12). Although Soviet education, especially technical education, was of acceptable quality, it did not contain studies of market economics and social sciences. Thus, the education of civil servants of 35 years and older (around 80%) is not adequate for the development of modern democratic governance. This trend would be neutralized by the intensive retraining of officials. Almost all civil servants polled by EMIECO (2001) had attended training courses the previous year and 24% were involved in long-term studies (Figure 3.13). This was a rather high proportion, demonstrating the need for better education, on the one hand, and a rather high motivation to acquire modern educational background, on the other.

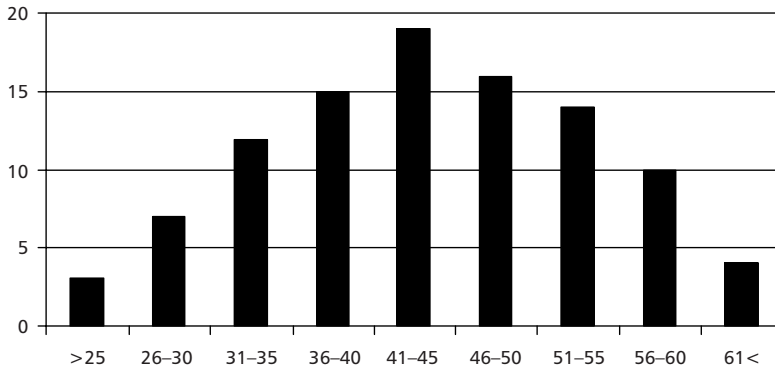
Unfortunately, most of this training lasts only one to three days. That is, the training concerns the most urgent needs in information, primarily the introduction to new acts, and is less connected with systematic training in basic skills. The training that is most required is in management. Participation in training is also more or less spontaneous and dependent on personal interests. Few LGs (15%) had a training plan.

Despite the extensive training that is offered, LG officials have rather big constraints in satisfying their need for know-how. Although the law requires that 3% of payroll is

spent on training and – thanks to foreign aid – modern in-service training is frequently available, civil servants complain about several reasons why they have not participated in training. First and foremost among the important reasons were: lack of resources (mentioned by 61% of respondents), remoteness of the training institutions (22%), and lack of time (19%).

Figure 3.12

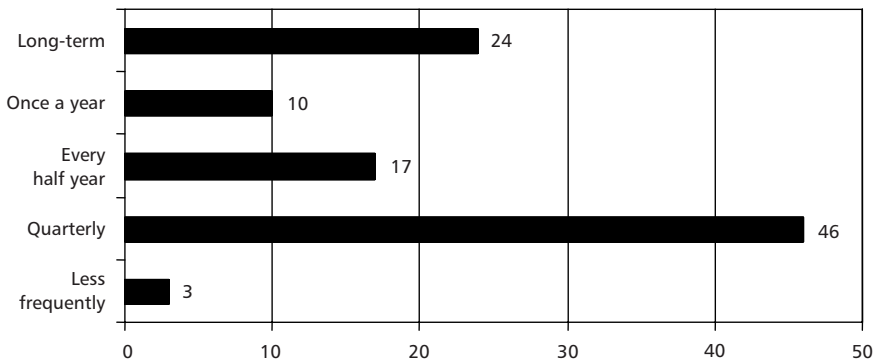
Structure of the Civil Service of Local Governments by Age [%]



SOURCE: EMIECO 2001.

Figure 3.13

Proportion of Civil Servants Who Have Participated in Training by Duration of Training [%]



SOURCE: EMIECO 2001.

2.4.1.3 Conclusion

Although there has been a strong pattern of migration to towns, the general reproduction rate is a problem in smaller (2,000 and fewer inhabitants) communities. But regional differences in wealth and capacity are tremendous. Investments and jobs have been concentrated in towns and cities, especially in Tallinn and surrounding areas. Thus, behind the formal data we can expect a decrease in social capital at the local, and especially the rural, level that might hinder the development of democracy.

Opportunities for the developing LG capacity and achieving the threshold of self-sustaining development have not increased. The role of own revenues has decreased and the role of categorical and targeted grants has increased. The role of truly own investments was rather small, around 4% of all expenditures, whereas the role of government support—direct and indirect—has been much higher and is growing. This means that the largest portion of LG spending goes to finance current expenditures, leaving inadequate resources for self-sustained development.

The prospect for general capacity development is much more promising in another area—where LG is not so dependent on intergovernmental relations—the development of administration. Generally speaking, there are only minor problems with the civil service at the local level, except for two issues: the relatively high level of politicization (that correlates with low professionalism) and difficulties in finding good candidates for key positions. What is absolutely clear is the non-linear correlation between LG size and the training needs of professional officials. Presumably medium sized local government—as the study of amalgamation also demonstrated—can better balance those two variables.

2.4.2 Variables of Effectiveness of Decision-making and Implementation

In this section we analyze two interrelated processes: policymaking and implementation. Indicators of effective policymaking are contradictory. On the one hand, the policy should be formed as the result of smooth political input. On the other hand, as much as possible it should be coherent and professional. Our focus here is on how these two opposing principles are balanced in Estonia.

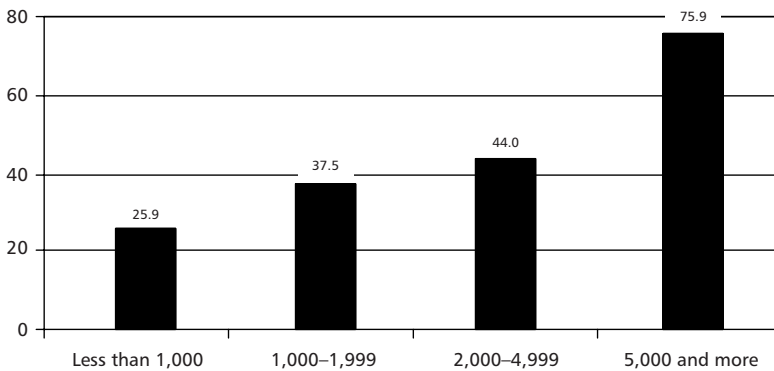
The indicators of effective implementation are planning and the ability to meet planned ends. The second surrogate indicator of balance between needs and capacities—as a general indicator of democratic governance—is success in devolution and privatization that would enable the reduction of the workload of government without damaging the public's interests.

2.4.2.1 Variables of Decision-making Effectiveness in Local Councils

Local councils in Estonia meet once in month on average. Only the largest of them meet more frequently. Thus, councils have more or less equal time to make decisions, despite the fact that the number and complexity of issues are rather different. Hence, there should be variables that would increase the efficiency and effectiveness of decisions at councils with heavier workloads.

The first such variable was planning. The larger the local community (and, therefore, the more complicated its issues), the larger was the proportion of municipalities where council and its committees' work was scheduled (Figure 3.14). This is the first tool in decreasing the complexity problem.

Figure 3.14
The Role of Scheduling of Council
and Committees' Work by Size of Local Community [%]



SOURCE: LGS 2002.

There were almost no cases when sessions ended because of lack of quorum in Estonian local councils. The majority of LGs (51.6%) did not have extraordinary sessions and 39.3% had one or two. No extraordinary sessions were reported by 30.8% of officials from the smallest councils and by 61% from councils with a population size of between 2,000 and 5,000. In councils in largest local communities, extraordinary sessions are more frequent (41%), but not as frequent as in the smallest councils. The scheduling of supplementary sessions would be rather normal for large councils, which have very long agendas and possible contingencies.

The frequency of postponed decisions was considerably higher in the smallest communities, where 40.7% of local officials reported that decisions were postponed rarely or never, whereas the overall proportion of such councils was 53.4%. The highest proportion of councils (10%) where decisions were never postponed was in the largest

councils. Nevertheless, there was only a weak correlation between availability of schedules and postponed decisions. Let us examine the reasons for delay.

Officials from the smallest communities complained more than others about the lack of information and ill-prepared decisions, and these have been the most frequent reasons for delay (Table 3.28). The clearest difference between the largest and the smaller communities regarding the cause of delay was whether it was for a technical reason (information, problems in the management of discussion) or for a political reason (the need for elaboration of a clear position by the faction or councilor). The former has been the most frequent reason for smaller communities and their councils, the latter for larger communities. In communities with 2,000–5,000 inhabitants, the political reasons were reported more frequently than in the smallest (1,999 and below). So, the tentative conclusion from this data would be that the smaller the community, the more these are “talking” bodies, because of the lower quality of proposals. At councils in the largest communities, “working” devices of elaboration of politically targeted positions were much better developed.

Table 3.28

Most Frequent Reasons for the Delay of Decisions at Local Councils [%]

Most Frequent Reasons for Delays	Size of Local Community				Total
	Less than 1,000	1,000–1,999	2,000–4,999	5,000 and More	
Lack of information; issues were ill-prepared	40.0	24.8	23.8	21.3	25.3
Lack of time	—	1.0	1.2	—	—
Some members of council tried to obstruct the decision	8.0	12.4	10.7	14.9	11.9
Members of council cannot come to joint conclusion	32.0	39.0	36.9	19.1	34.1
Some factions or councilors need time to form firm opinion about the issue	16.0	17.1	26.2	42.6	24.5
Other reasons	4.0	5.7	1.2	2.1	3.4

SOURCE: LRS 2002.

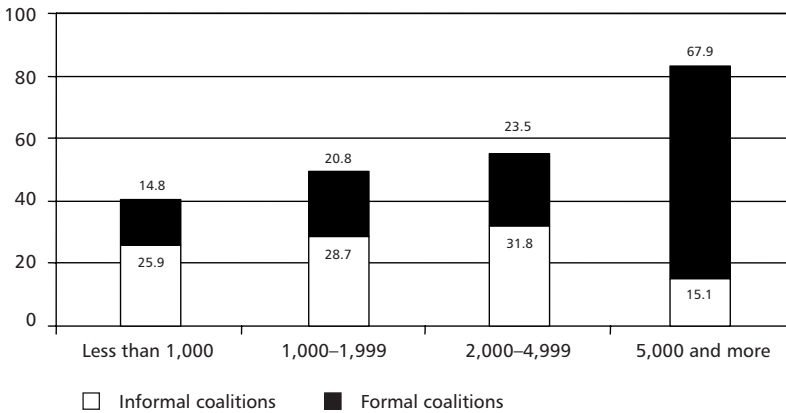
We noted previously that with an increase in the size of the local community, the role of factions increases. In Table 3.28, factions and political mechanisms of decision-making appear to be important variables in the decision-making efficiency of councils.

Another indicator of effective coalition politics is the coalition agreement and the practice of forming policy according to this agreement. As the survey results show (see

Figure 3.15), formal coalition agreements were the rule in larger communities. Around one-fifth of medium and smaller communities practiced this policymaking tool. At the same time, in communities that did not have formalized coalition politics, a considerable number of respondents reported the existence of an informal agreement; i.e., almost half of the smaller sized communities have a coalition in some form and more than 83% of councils in larger communities have coalitions.

Figure 3.15

Proportion of Local Councils with Formal or Informal Coalition Agreements [%]



SOURCE: LGS 2002.

How stable are these formal and informal coalitions? How often do they achieve a majority to promote their political agenda and some kind of coherent policy program? We observed that, simultaneously with an increase in the strength of coalitions, some increase in the level of conflict inside council (Table 3.29) occurred and increased more with the size of the local community and local councils. But cases where councils rely only on a coalition majority are rather rare, even in the largest communities. That is, we observe obvious trends of consensual decision-making in council's decision-making behaviour, not majoritarian 'roller' style.

Only in the largest communities was the frequency of coalition voting higher than the number of unanimous decisions. But even in the largest communities, the frequency of cases where the coalition–opposition cleavage was clear was not higher than the frequency of unanimous decisions. This means that political cleavages were rather weak in smaller and even in larger communities. This data would also indicate that issues in smaller communities are politically less divisive than in larger communities where they are more complicated.

Table 3.29
Voting Behavior of Council by Size of Local Community (10-Point Scale)

Voting Behavior	Population Size of Local Community				Total
	Less than 1,000	1,000–1,999	2,000–4,999	5,000 and More	
Frequency of majority coalition voting together	4.79	4.37	5.73	6.10	5.20
Frequency of majority coalition prevailing against all others	2.58	3.20	4.01	3.63	3.49
Frequency of unanimous decisions	5.25	6.24	5.65	4.51	5.60

SOURCE: LGS 2002.

But presumably a consensus could be achieved in different ways. This was demonstrated in our previous discussion concerning the positive link between the effectiveness of decisions and the extent of political institutionalization of decisions. A low political cohesion of factions is conducive to debate and discussion in council that is weakly grounded in professionalism. However, at the end of such discussions, the council does not more frequently reveal any political controversy in making the decision. Similarly, a more active stance in contesting mayors' proposals (in smaller councils) indicates simply that council's deliberations and debates are much less managed and targeted there and, hence, are less efficient and effective from the viewpoint of consistent policy than in councils where debates were politically more institutionalized.

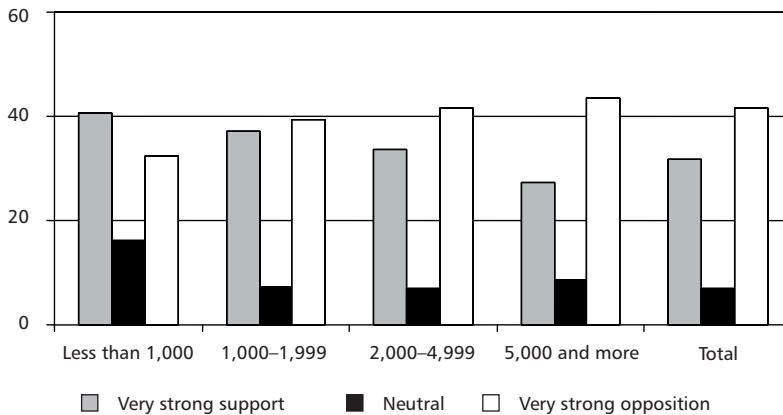
This rather important conclusion has implications for the argument about whether or not only branches of national parties should be allowed to participate in local elections (see Section 3.1). In our opinion, councils in small communities have objectively weaker political capacity. Partisan competition would hardly increase the extent of politicization and consistency in any faction's policy in these communities, since they have difficulty in composing party lists for the local election, not to speak of the actual political activity of candidates. Is there any alternative solution?

On the one hand, the nature of the tasks and scope of the budgets in smaller communities would be more conducive to purely "technical" solutions that require professional competence more than political will. The discussion of whether to repair the roof or stairs of a school is hardly a political one. On the other hand, in smaller communities the council has questioned the mayors' proposals much more frequently, and presumably has changed them in the course of discussion. However, we have shown that individual councilors were rather incompetent in analyzing and making decisions on an individual basis and, therefore, should focus more on providing input as representatives of the public (see Section 3.3). Hence, councils in smaller communities

should focus more on their functions of control and oversight, and leave more discretion to the mayor in making decisions. In this way, the increase in unprofessional decisions could be avoided.

In light of these circumstances, to what extent would we propose that the mayor–council model be introduced in smaller communities? In the survey, councilors expressed their opinions on the proposal to have direct election of the mayor by residents, in order to increase council’s role in decision-making. This proposal was more strongly supported by representatives of smaller councils, although the mean opinion—4.22 in the smallest and 3.57 in the largest councils—indicates not very strong support for either version of the proposed mayoral elections (Figure 3.16). More importantly, the standard deviation of opinions concerning this proposal was unusually high in all communities, indicating a considerable cleavage in the opinions of councilors. The question that needs to be answered is whether the council and community would be able to exert effective control over the actions of a strong executive. In the following sections we will show that we can not be quite sure of that.

Figure 3.16
Cleavage of Opinions on How to Appoint the Mayor [%]



SOURCE: LRS 2002.

Hence, the scenario of increasing the effectiveness of decision-making by strengthening the mayor’s legitimacy and power is rather controversial as well.

2.4.2.2 *The role of Strategy in Local Government Decision-making*

The problem of linking policy decisions (i.e., on budgeting and investments) with a local government's development strategy dates back to 1989, to the first reform of LG. To get an official mandate for governance and an independent budget, a local community had to present a Development Plan (DP). This management tool was well institutionalized much earlier at the local, rather than the central, level of governance. According to the LGA (Ch. 13) the LG DP is "the document that contains the analysis of economic and social processes and situations in the environment. [The document contains] a long term plan of actions and priorities for future development." The DP must be prepared for at least three years (Ch. 37). If the LG unit has financial or other obligations for a longer period, then the DP must mirror these obligations for the whole period. LG statutes and budgeting procedures usually contain a provision that budget priorities and investments should be decided according to the DP. A Development Plan is the precondition of government support for investments to LG.

According to the EMIECO survey,¹⁰ 83% of localities had a DP in 2002, and 74% had been adopted after the previous elections in 1999 or were to be approved in the near future. General planning existed in 45% of localities and as many as 61% of these plans were relatively recently adopted.

Our survey focused on identifying the availability of concrete programs at LG (Table 3.30).

Table 3.30

Availability of Different Types of Strategy in Local Communities by Size [%]

Adopted Strategy	Size of local Community				Total
	Less than 1,000	1,000–1,999	2,000–4,999	5,000 and More	
Long-term plan of economic development	39.5	55.4	64.4	80.0	61.7
Long-term plan of investments	57.1	65.7	71.3	75.0	68.5
Public sanitation or environment protection program	22.2	59.0	61.4	85.5	61.5
Education development program	57.1	68.0	67.4	78.9	69.0
Cultural development program	32.1	41.4	43.2	66.7	46.3

SOURCE: LGS 2002.

How are these strategies working in real practice? Our survey results show that the majority of LGs have followed a DP in planning and doing investments.

Local governments have various interpretations of the role of the DP as a plan for investments. For some, the DP outlines precisely scheduled concrete investments with calculated amount of expenditures. The other and major portion of municipalities prefers to prepare the list of investments and order them according to priority (which can be revised) with approximate costs. The decision about investments will be made after concrete finances become available (usually yearly) and after an exact calculation of costs. These are more often medium sized communities whose budget is more dependent on central support funds and whose revenues are more subject to contingencies. Only 10.9% of respondents reported that they have made investments that were (partly) unplanned by the DP (Table 3.31). One-fifth of investments were not made in accordance with the DP but by ad hoc decision of local authorities. In the smallest communities, ad hoc decisions on investments are as regular as investments according to the DP. Ad hoc decisions are also rather frequent in medium sized communities.

Our survey further indicated that planned expenditures of more than two-thirds (72.4%) of projects implemented by LG during last years did not exceed the planned level (see Table 3.32). As many as 10% of them exceeded planned costs.

Table 3.31

Investments Made According to Development Plan by Size of Community [%]

Investments According to Development Plan	Size of local Community				Total
	Less than 1,000	1,000–1,999	2,000–4,999	5,000 and More	
More investments than planned in DP	—	7.8	6.0	13.2	7.5
Investments done exactly according to DP	—	9.8	3.6	18.9	8.6
Investments according to list of priorities	48.1	53.9	54.8	43.4	51.5
Investments partly for other purposes	3.7	8.8	11.9	17.0	10.9
Investments according to ad hoc decision of authorities	48.1	19.6	23.8	7.5	21.4

SOURCE: LGS 2002.

Table 3.32
Expected and Real Budget Costs by Size of Community [%]

Expected and Real Budget Costs	Size of Local Community				Total
	Less than 1,000	1,000–1,999	2,000–4,999	5,000 and More	
Real costs of large majority of projects almost as planned	69.2	77.7	71.3	65.4	72.4
Costs of approximately half projects as planned	15.4	11.7	21.3	25.0	17.6
Costs of small proportion as planned	15.4	10.7	7.5	9.6	10.0

SOURCE: LGS 2002.

We could not see substantial differences in planned and real costs dependent on the size of the community. Larger communities did not meet expected costs even more frequently than smaller ones. We were interested in knowing whether the availability of a DP would influence financial discipline in projects. That is, are those with a development or investment plan more frequently able to meet planned costs?

We do see considerably higher financial discipline (meeting planned costs) in these communities that made investments exactly according to a scheduled plan. Scheduled planning is not very widespread: only 16% of respondents declared that this method was used in their community (Table 3.33). However, fiscal discipline in the case of scheduled investments that exceeded investment plans was only slightly higher than in cases where the DP only defined priorities or even in cases where decisions on investments were completely ad hoc. That is, other types of decisions on investment, including ad hoc ones—which were more frequently made in smaller communities—could also be relatively well planned. The lowest share of cases where there was a correspondence between plans and investments was in the case of investments with other purposes, which was highest in largest communities.

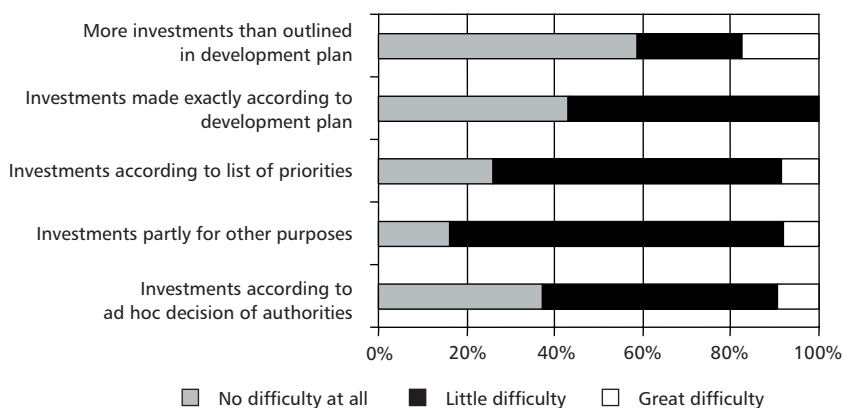
More paradoxical results were found when the method of deciding on and planning investments was compared with the ability to meet deadlines and pay current operating costs. Those communities that made ad hoc decisions on investments were able to meet deadlines even more frequently than those that operated according to scheduled plans. Moreover, ad hoc decisions did not cause any more difficulties in paying for current operating costs (Figure 3.17) than exactly scheduled investments, and they caused much less trouble than investments according to planned priorities.

Table 3.33
The Influence of Investing According
to a Development Plan on the Financial Discipline of Projects [%]

Investments in Relation to Development Plan	Expected and Real Budget Costs		
	Real Costs of a Large Majority of Projects Almost as Planned	Costs of Approximately Half the Projects as Planned	Costs of a Small Proportion as Planned
More investments than planned in DP	78.9	21.1	—
Investments done exactly according to DP	90.5	9.5	—
Investments according to list of priorities	74.0	16.0	9.9
Investments partly for other purposes	56.0	28.0	16.0
Investments according to ad hoc decision of authorities	71.7	11.3	17.0

SOURCE: LGS 2002.

Figure 3.17
Capacity to Follow Current Operating Costs Dependent
on Techniques for Deciding on and Planning Investments [%]



SOURCE: LGS 2002.

Hence, LGs have been rather successful in applying different types of planning techniques from the standpoint of outputs. Exact planning is preferable, but not possible for all local communities, mainly because of too much financial dependence

on government support and because of the contingencies of the economic environment. Investments that were made for other purposes than those outlined in the DPs have less favorable outputs than all other types of decisions on investments. That is, changing plans was the worst way to make investments.

In practice, the role of the DP as a management tool and also investment practices are far from being uncontroversial. Firstly, the general format and techniques for DPs have not been approved or agreed upon and, consequently, LG officials have not yet received training. The DP is very often a “letter of intentions” from different sectors that are merged together as chapters into the whole text. Quite often, therefore, the DP cannot be the basis for budgeting, especially for smaller LGs. Recently, however, extensive online manuals for preparing DPs were prepared and published at the website of the Ministry of the Interior. Many LGs have contracted out the preparation of the DP to private expert firms or to universities.

Secondly, development plans are subject to frequent changes, especially after elections. A DP can be changed as soon as new needs or an idea for some development finds support by councilors. While the initial DP was usually prepared by experts in cooperation with local government professionals after long and in-depth expert and political discussions, the changes are often introduced by councilors and are made on the basis of ad hoc political considerations. This has weakened the economic rationality and effectiveness of DPs.

The DP can still include many aims and targets that cannot be met in the budget. The applications of units and organizations for investments might exceed the budget capacity of local authorities by four or five times. For this reason, some LGs have established a rule that the applicant must demonstrate what negative consequences will occur if the investment is not made. Budgeting rules—LGA, Ch. 39—state that proposals to change a draft budget should be accompanied by a report where supplementary sources of financing are defined. That is, there are rather strong formal and practical devices to ensure the financial discipline of investments, even in the case of ad hoc decisions.

A supplementary strategic document that defines short-term priorities and might not replace the DP is the coalition agreement. In larger communities, the actual management and current planning are to a large extent guided by that document.

Clearly, the role of the DP as a budgeting tool will increase in the near future. The application for various support programs or cooperation projects in the EU requires a well elaborated DP.

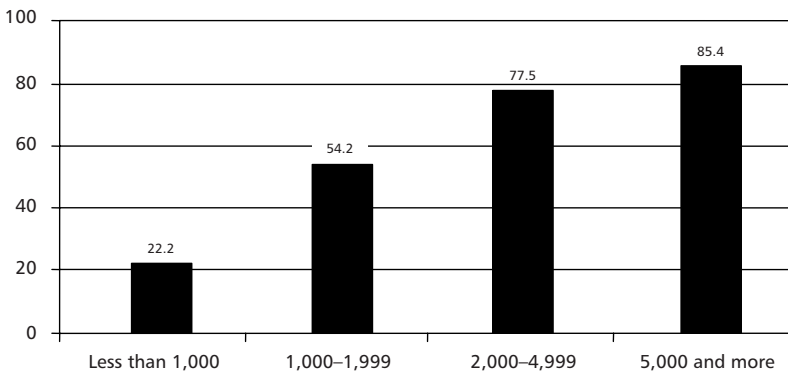
2.4.2.3 Devolution and the Success of Privatization

The capacity of Estonian local governments cannot be precisely assessed by the size of the budget and the effectiveness of its implementation. A general premise of LG structuring

in the 1990s was that local authorities should delegate to private law subjects all public services that could be delivered self-sufficiently in the economic sense (i.e., that could cover expenses from returns). The latter could be completely private or owned by LG via shares. Other LG tasks were devolved to nonprofit organizations. These were most frequently established for managing culture and heritage, specific real estate, tourism, and housing.

The process of devolution (privatization, contracting out) of public services has been successful in large and medium sized localities where there is enough demand for public services to reduce business risks to private firms (Figure 3.18). Smaller or geographically remote (disadvantaged) communities were not always able to sell their assets and to devolve services, because of high business risks and because the market value of assets is frequently several times below their investment value. Thus, smaller LGs are forced to manage facilities that would usually be privatized or contracted out in larger communities. This results in a supplementary burden to their budgets and a larger proportion of general administrative costs.

Figure 3.18
Privatization or Contracting out of Communal Utilities
in the Last Five Years by Size of Local Community [% of services]



SOURCE: LGS 2002.

What services were usually privatized? The most devolved sectors were communal utilities, transportation, and public utilities, whereas culture, social work, and education were partially privatized or contracted out (Table 3.34).

Table 3.34

The Extent of Privatization and Contracting out of Services at the Local Level [%]

Sector	Extent of Privatization and Contracting out		
	Almost Complete	Partial	Not at All
Communal utilities	59.7	30.9	9.4
Social work	4.0	43.2	52.8
Education	2.9	20.5	76.7
Culture	9.4	48.9	41.7
Transportation	52.0	28.6	19.4
Public utilities (parks, etc.)	29.8	44.2	26.0
Planning and land management	6.9	35.3	57.8

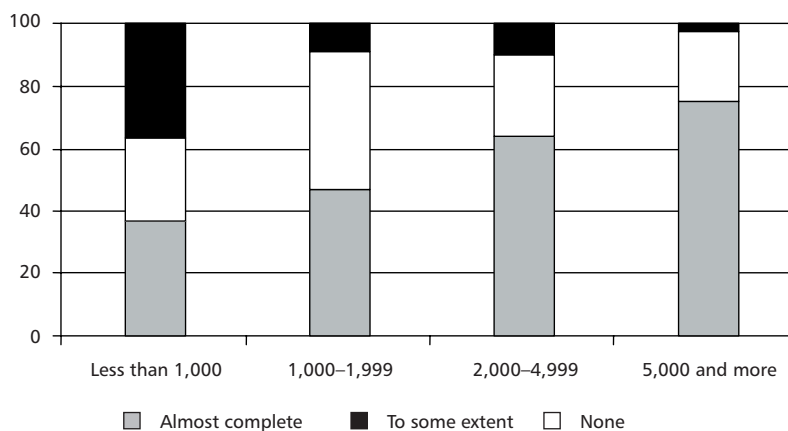
SOURCE: LGS 2002.

Privatization also occurred to some extent in the core services of local government, such as education, culture, and social services, which form the bulk of budget expenditures.

As expected, the level of devolution (privatization, contracting out) was highly dependent on the size of the local community. Figure 3.19 demonstrates the extent of the devolution of public services. While in the largest communities the privatization and contracting out of public utilities is almost complete, in the smallest communities, as stated earlier, more than one-third of LGs must provide those services themselves.

These differences in the amount of devolution did not mirror the assessment of outcomes of the devolution. Officials from smaller communities even expressed more favorable attitudes than officials from larger communities (Table 3.35). Probably they have the least negative experience in comparison with large communities. But in general, the success of privatization was assessed rather highly by our respondents. Besides, as in case of the amalgamation of local government units, only a minor impact (towards reduction) on the size of the civil service was revealed as the result of privatization.

Figure 3.19
Privatization and/or Contracting out of Public Utilities
in Local Governments by Size [%]



SOURCE: LGS 2002.

Table 3.35
Assessment of the Outcomes of Privatization
and Contracting out by Size of Local Community, (7-Point Scale)

Assessment of Outcomes of Privatization and Contracting out	Size of Local Community				Total
	Less than 1,000	1,000–2,000	2,000–4,999	5,000 and More	
Success of devolution	5.3	4.8	5.19	4.8	5.00
Better rate of price and quality	4.89	4.19	4.23	4.58	4.33
Better access to services (i.e., ability to pay)	4.22	4.13	4.43	4.47	4.33
Reduction of employees after devolution	2.89	1.92	2.76	3.13	2.58

SOURCE: LGS 2002.

2.4.2.4 Conclusion

Decision-making at the local level is well institutionalized in Estonia in medium and larger communities. Factions and coalitions play a decisive role in policymaking, whereas the role

of individual councilors in making decisions is considerably weaker. This also solves the problem of the low professionalism and inability of individual councilors to set priorities. The process of institutionalization, it should be noted, can weaken the level of contact between councilors and their constituents. Later sections of this chapter provide some answers to this. In smaller communities those trends, which are also mirrored in less cooperation between council and the mayor, are not as strong. Our study revealed that in smaller communities, the direct election of the mayor would lead to a split in the local community. Presumably, the council–manager formula should be applied in this situation.

Our research revealed rather widespread and effective use of strategic planning tools at the local level. In Estonia, two different mechanisms are used in planning investments: a comprehensive plan and a list of priorities. We found only one advantage of the first tool: smaller communities that cannot use comprehensive strategic tools can develop effectiveness via other tools of strategic planning. We also found rather extensive privatization of public services, although the peak of privatization was in the mid-1990s. Even in such areas as planning and land management, social work, and culture, half of the communities indicated the private provision of those services. We found grounds for moderate optimism in assessments of the results of privatization and did not find complete failure. We can suppose that privatization was used by local communities not only to promote efficiency but also to deal with the problem of insufficient capacity. The government prefers to steer rather than to row. Does it also contribute to an increase in the legitimacy of local authorities? An analysis of this topic is the subject of the following sections.

3. REPRESENTATIVE LOCAL GOVERNMENT

3.1 Local Elections and Referenda

3.1.1 Local Public Initiatives and Referenda

As forms of direct democracy, local public initiatives and referenda do not have sound traditions in Estonian political culture. Neither option is mentioned in the constitution. Referenda are organized mainly at the national level and are initiated by parliament. The procedures for referenda are described in the constitution and in the Referendum Act.

At the local level, citizens can collect signatures to initiate a legal act, which later on must be approved by the municipal council. Estonian LGs have wide autonomy to determine the precise rules of this procedure. Local residents with voting rights can also initiate a referendum, but in reality both these opportunities of political activism were never used from 1989–2002 (Olle 2002, 107). More often, the municipal council initiates

local referenda itself. In cases where neighboring municipalities are going to merge, a public vote is obligatory, although its results are not binding on the decision-makers.

The enlargement of local self-government units is one of the main aims of administrative reform in Estonia; thus, such opinion polls have already been organized in a few municipalities. Although referendum statistics are not perfectly complete, one can still notice some tendencies. As seen in Table 3.36, local voters are not enthusiastic to use their citizens' rights. Usually referenda are carried out on the same day as local council elections, but voting in the referendum is significantly lower than the election turnout—around 15%–25%. A second trend, which is apparent from the voting statistics, is a different attitude toward amalgamation in towns and parishes (rural municipalities). Rural residents are more often against enlargement; at the same time they are more active participants in voting. There has been no positive change in civic activism for seven years, which must, beyond doubt, be regarded as a weakness of Estonian local democracy.

Table 3.36

Local Referenda on the Amalgamation of Municipalities (1996–2002) [%]

1996–1999	In Favor	2002	Turnout	In Favor
Pärnu-Jaagupi town	80	Rapla parish	24	14
Halinga parish	73	Rapla town	4	63
Abja-Paluoja town	88	Räpina parish	27	43
Abja parish	7	Räpina town	13	81
Otepää town	74	Anija parish	11	82
Pühajärve parish	48	Kehra town	8	63
Lihula town	78	Kohila parish	15	63
Lihula parish	52	Kohila town	10	91
Vihula parish	56	Loodna parish	36	30
Võsu parish	42	Märjamaa parish	4	34
Kaarma parish	61			
Kuressaare parish	31			
Antsla town	63			
Antsla parish	57			
Karksi-Nuia town	57			
Karksi parish	72			

SOURCE: Ministry of Interior.

3.1.2 The Electoral System

Municipal councils are elected in general, uniform, and direct elections by secret ballot. Councils are elected for a three-year term, although debates on prolonging this to four years are on-going. The reasons given for such an amendment have been twofold. Firstly, with the three-year term, local and general elections can sometimes fall in the same year, causing instability in governance. Secondly, as pointed out by experts from the Congress of Local and Regional Authorities of Europe, the three-year period is too short to realize political promises and programs, which can cause long-term inefficiency (Council of Europe 2000).

The outcomes of representative democracy depend upon the basic characteristics of administrative and electoral systems. One of the peculiarities of the Estonian administrative landscape is the heavy concentration of the urban population in just a few towns and cities (see Table 3.2). The capital city of Tallinn comprises almost one-third of the total population of Estonia, but has the same legal status as small municipalities with fewer than 1,000 residents. This imbalance is also reflected in electoral competition and in the composition of local councils.

Another main tendency in the development of local elections is their growing similarity with the general elections. This trend becomes evident when one analyzes the role of political parties, campaign patterns, expenditures, and voter turnout.

Estonia uses a proportional representation (PR) system both in general and in local elections. Because of their small size, the majority of municipalities has only one electoral district. In these cases, all seats in the municipal council are allocated proportionally to the votes given on the electoral lists, as long as individual candidates succeeded in surpassing the district's threshold. Only those municipalities with more than 50,000 residents have to form more electoral districts with at least three mandates in each. In reality, this case holds only for the three biggest towns—Tallinn, Tartu, and Narva.

Mandates are allocated according to the personal votes given to a candidate on the electoral list. This system of open lists decreases the possibility that elected representatives enjoy the support of the party top officials but not of the local voters. Another important feature of PR electoral systems is that “wasted” votes typical in the “first-past-the-post” system are minimized. In Estonia there is no universal threshold for the electoral lists at local elections; thus, a broad variety of ideological platforms has a chance to be represented in decision-making bodies.

All procedures of local elections are regulated by the Local Government Council Election Act, last amended in 2002. Among other things, this legal document determines the minimum size of a municipal council. The exact number of local councilors is determined by the municipal councils themselves, basically by population size: the larger the population, the greater the number of councilors. As shown in Table 3.37, the resident–councilor ratio is sharply increasing in large urban municipalities with 20,000 or more inhabitants.

Voting rights in local elections in Estonia are granted both to citizens and non-citizens who have lived permanently in that municipality for at least the last five years. Therefore, the national composition does not have any significant impact on the voter–leader ratio. Rather, we can consider the age composition of the population as an independent variable. Ageing is a bigger problem for rural municipalities where dependent children form a smaller proportion than in urban and suburban areas. Therefore, the share of voters in the rural population is higher. As a result of that, the voter–leader ratio differs between cities and villages less than the resident–leader ratio (voting age in Estonia is eighteen). However, Table 3.37 shows a tremendous difference between the smallest and the largest municipalities in voter–leader ratio.

Table 3.37
Resident–Councilor Ratio According
to the Local Government Council Election Act

Number of Residents	Minimum of Local Councilors	Maximum Resident–Councilor Ratio	Voter–Leader Ratio (2002)
Up to 2,000	7	286	74
2,000–5,000	13	385	104
5,001–10,000	17	588	175
10,00–50,000	21	2,381	276
50,001 and more	31	13,226*	602

NOTE: * Figure refers to the largest municipality, the city of Tallinn (approx. 400,000 residents).

SOURCE: Local Government Council Election Act; National Electoral Committee
(<http://www.vvk.ee>).

3.1.3 Electoral Process

Elections consist of two main periods—the preelection campaign period and the post-election period, when the results are published and the governing coalition is formed. In this section we analyze electoral campaign patterns in terms of finances and the involvement of citizens. The legal formalities concerning the formation of electoral districts and committees, formal approval of candidates, and the checking of the voters' register are all described in detail in the LGCEA, so we have not included this aspect in our discussion. Our main research focus will be on the trend and the level of electoral competition, in which important changes have taken place in the last few years.

3.1.3.1 Financial and Human Resources in Local Campaigns

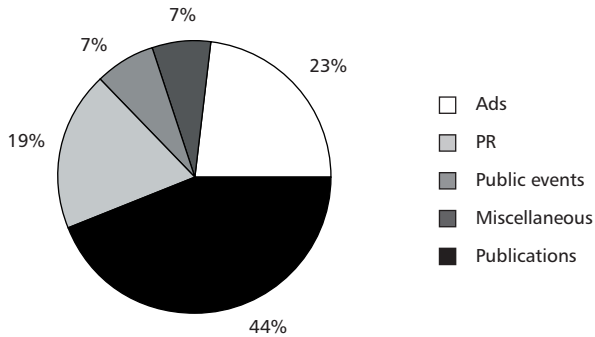
Expenditures concerning the preparation and holding of elections are covered by the local budget, but the election campaigns of political parties, civil organizations, or individual candidates are not included. All political parties represented in the national parliament have the right to get proportional appropriations from the state budget, but most of the campaign funds are raised through donations. Political parties have to submit a report to the National Electoral Committee (NEC) concerning the expenses and the sources of funds for the election. This information is available in detail at the NEC website, but one cannot see which proportion is received from local and which from central party revenues.

The financing of campaigns in Estonia follows some international trends, but has its own peculiarities as well. Electoral campaigns are becoming more and more expensive in advanced democracies, and the same is happening in Estonia. An especially sharp rise occurred in the last elections, including the local ones. While the total cost of the parliamentary election campaign in 1999 was EEK 28.6 million, in 2003 it had risen to EEK 60 million. In 2002, the six major parties spent EEK 43 million on the local elections. If we add to this the expenses of the smaller parties, citizens unions, and individual candidates, the figure will be even higher and comes close to the expenditures on the general elections.

Due to the short period in which free elections have been held, rules on financial donations are still undergoing amendments. During the local elections of 2002, both private enterprises and individuals could donate money to political parties. Many candidates invested their personal savings in their election campaigns. It has become an interesting practice in Estonia that one company or person makes donations to different political parties. On the one hand, this shows the persistence of insecurity for business and the unpredictability of electoral results. On the other hand, it might be an indication of the similarity of proposed policies and the vague ideologies of the main political parties. According to an amendment of the Act on Political Parties in January 2004, only individuals and not companies can make financial donations to parties.

The structure of expenses presents a mixed picture. All the main media and publicity instruments are used, although their relative proportions differ across political parties. Publications and flyers are the most common, followed by newspaper advertisements and electronic media (Figure 3.20). Public events form only 7% of expenditures. This suggests that Estonia is moving toward an American pattern of campaigning, where electronic media and professional PR services play an increasing role.

Figure 3.20
Average Expenditures of Political Parties
on Campaign Activities in 2002 Local Elections [%]



SOURCE: National Electoral Committee (<http://www.vvk.ee>).

Whereas the financial resources spent on local elections are sharply increasing, the voluntary involvement of citizens remains at a very low level: 39.8% of respondents in the LRS stated that they had no volunteers in their campaign at all, while 27% had one to three individuals. Only 4.4% of respondents had more than twenty volunteers. The number of volunteers was neither dependant on the size of the community nor on the number of times of reelection. These findings give additional support to the hypothesis of Americanization of campaigns. According to B. Newmann (1999), US political parties usually buy campaign services from professional PR firms, whereas in the UK party members perform the main jobs on a voluntary basis.

3.1.3.2 Competition in Local Elections

Remarkable changes have occurred in local campaign patterns during the 1990s, caused basically by the development of political parties and the party system. In the first half of the 1990s, local elections did not attract main actors to the political arena. Statistically, this is demonstrated by the fact that the minor parties participated more actively in local elections than the powerful ones and had a higher number of party lists. For example, one of the biggest parties, the Center Party, was only in eighth place according to the number of party lists in 1996. The main competition in the local elections was between individual candidates and citizens' electoral unions (CEU).¹¹ The situation changed dramatically in 2002, when the CEU were abolished by an amendment of the LGCEA. Later, the Legal Chancellor protested the act and CEU were allowed to

participate in the last election. Nevertheless, the number of CEU has decreased very sharply, and the number of party lists, on the other hand, has risen equally quickly (Table 6.3). It is remarkable that the total number of electoral lists has remained quite constant across years. The main point is the radically changed balance between CEU lists and party lists. To evaluate these changes correctly one must distinguish between two different types of predictors. We obtained clear statistical evidence that political parties are becoming more powerful at the local level and, consequently, playing a bigger role in electoral campaigns. For example, the number of LGs where elections were held without the explicit participation of political parties is declining. In 1993, there were 67% of municipalities without party lists; within ten years this figure has decreased ten times (6% in 2002).

On the other hand, an extremely sharp change in the balance of party lists and CEU lists in 2002 demonstrates that evolutionary development was significantly pushed forward by the top-down legal initiative.

Table 3.38

Trends in the Form of Competition in Local Elections (1993–2002)

Form of Competition	Year			
	1993	1996	1999	2002
Lists in total	844	773	768	872
Party lists	106	152	198	630
CEU lists	738	621	570	242
Individual candidates	807	409	159	121

SOURCE: National Electoral Committee (<http://www.vvk.ee>).

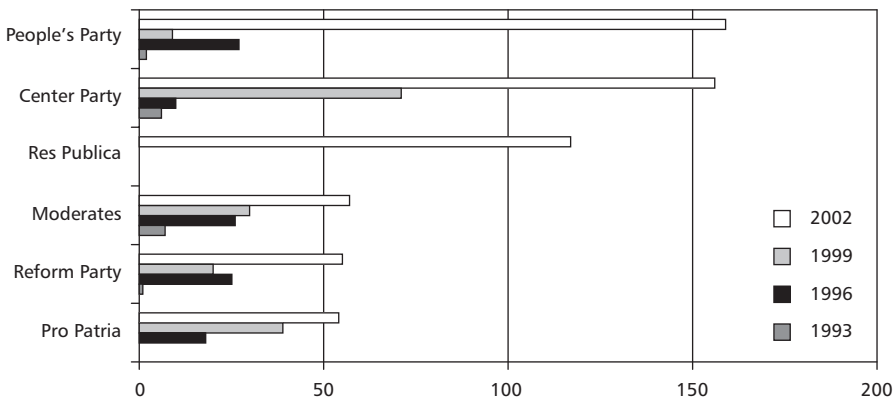
A second tendency, which became especially evident in the last elections, concerns the number of individual candidates. In 1993 they formed 9% of all candidates in municipal elections, but in 2002 the figure was only 0.8%. According to the LGS, just 7% of respondents stood as candidates on their own initiative, while 66% were put forward by a political party. As we will see, only a very few individual candidates succeeded in getting a mandate. Thus, it appears clear that local electoral campaigns today are entirely conducted on an organizational basis where single individuals do not play much of a role. Although this can be regarded as an erosion of true popular democracy and a strengthening of party bureaucracy, there are important positive sides to this as well. Municipal councils consisting mainly of representatives belonging to the political parties or citizens' unions demonstrate more effectiveness in organizing the work of council and in the developmental planning.

Returning to the issue of the electoral participation of political parties, a detailed analysis of data from the 2002 elections demonstrates the clear process of polarization. Weaker parties presented fewer candidates, and many of them refused to participate at all. Seven of nineteen registered political parties did not set up electoral lists, and three parties had only from one to three electoral lists across 241 LGs (Toots 2003). In comparison with the number of participating parties in the previous election, a permanent decline is evident (seventeen parties in 1996, fourteen in 1999, and twelve in 2002).

Parallel to the decline of small parties, the bigger parties actively expanded their participation (Figure 3.21). This was especially true of the stronger parties, which enjoyed remarkable support in the parliamentary elections six months later. Consequently, local elections today can and must be examined in close connection with general elections.

The altered pattern of putting candidates forward had a certain impact upon the level of electoral competition. Generally speaking, it promoted competition and contributed to the harmonization of competition between urban and rural areas. In earlier local elections there were rural municipalities where the number of candidates did not actually exceed the number of seats in the local council. Today this is a rare exception; parishes have around three or four candidates per seat. Although the level of electoral competition remains higher in cities (ten candidates per seat), the overall situation has become more unified (Table 3.39), which means that membership in rural municipal councils becomes more attractive for citizens. Nevertheless, the capital city is an extreme case with 20.5 candidates per seat, almost five times higher than the country mean.

Figure 3.21
Number of Party Lists in Local Elections (1993–2002)



SOURCE: National Electoral Committee (<http://www.vvk.ee>).

Table 3.39
Level of Competition in the 2002 Local Elections According to Region

Region	Candidates	Mandates	Level of Competition
Tallinn	1,292	63	20.5 (very high)
Western Estonia	2,484	682	4.6 (medium)
Northeastern Estonia	2,758	577	5.8 (high)
Central Estonia	3,135	733	5.3 (high)
Southern Estonia	2,240	492	4.6 (medium)
Northern Estonia*	3,294	726	4.4 (medium)
National average	15,203	3,273	4.6 (medium)

NOTE: * Excluding the city of Tallinn.

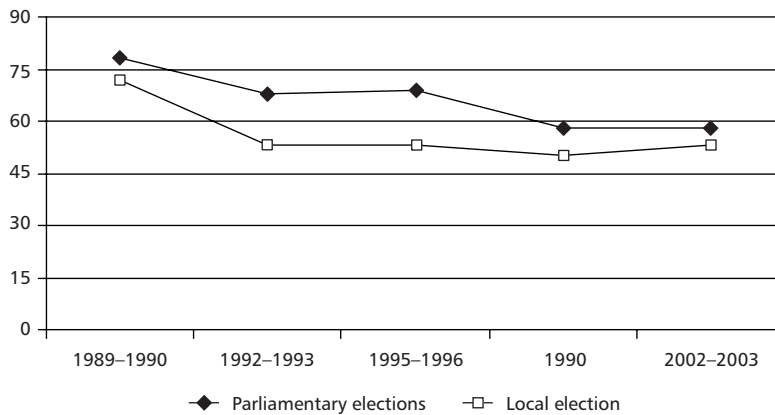
SOURCE: National Electoral Committee (<http://www.vvk.ee>).

3.1.4 Electoral Turnout

In most countries, local elections attract fewer voters than parliamentary or presidential elections. Only the Scandinavian countries are an exception—bringing nearly 80% of citizens to the municipal polling stations. Post-communist Central and Eastern European (CEE) countries have lower voter turnout than mature democracies. In some CEE countries (the Czech Republic), a downward trend is evident, but in others (Hungary and Latvia) electoral participation is increasing (Wright 2002; Hajnal 2001).

Election turnout rates in Estonia remain at quite a low level—below 60%. In previous years the general elections attracted more voters than the local elections, but today the turnout is almost equal. Considering the trend over ten years and comparing local with national elections, one can see similarities in the development of voting behavior in Estonia and the Czech Republic. Porecky and Prudky (2001, 77) noted a slight downward trend, which for local elections is less sharp and has stabilized in the last while. These trends, presented in Figure 3.22, can be regarded as an indication of the general stabilization of the political environment. Another factor that can promote the local turnout rate is the increasing legitimacy of local government in the eyes of the broader public, revealed by a longitudinal opinion poll carried out in Estonia since 1995. In 2002, 65% expressed their confidence in local government, which is the highest rating in the last few years. Public trust towards parliament has been about 45% and has not changed significantly since the recent general elections (Riik ja Rahvas 2002).

Figure 3.22
Trends in Electoral Turnout (1989–2003) [%]



SOURCE: National Electoral Committee (<http://www.vvk.ee>).

Size of community is an important predictor of voting behavior, just as it was found to be an important predictor in other aspects of our study. The Local Government Indicators Project showed similar results in Romania (Wright 2002, 392) and Hungary (Hajnal 2001, 33). Like these countries, Estonia has a negative correlation between the size of LG and voter turnout (Table 3.40). It is interesting to note that the level of electoral competition is negatively correlated with that of turnout, too. The higher the competition the lower the participation rate. Thus, a big variety of candidates is not the most important motivator for voters. Their participation depends rather on the legitimacy of local power and the feeling of belonging.

Table 3.40
Predictors of Turnout Rate in Local Elections (2002)

Population	Voter-Leader Ratio	Turnout [%]	Level of Competition
Less than 1,000	74	61.7	3.0
1,000–1,999	104	58.0	3.9
2,000–4,999	175	53.0	3.9
5,000–9,999	276	53.6	5.6
10,000–49,999	602	50.4	8.0
50,000 and more	2580	48.6	12.9

SOURCE: National Electoral Committee (<http://www.vvk.ee/r03/index.html>).

The importance of legitimacy can be further developed when we analyze the voting behavior of the non-Estonian population. As stated earlier, non-citizens have the right to vote in local elections if they live permanently in their municipality. As a limited case study (Toots 2001) revealed, non-citizens are less active in voting than Estonian citizens. In Tallinn, for example, the turnout for Estonian citizens was 51% and for non-citizens 44%; in the border city of Narva the figures were 51% and 38% respectively. These statistics correspond with the opinion poll surveys on trust toward political institutions. Unlike Estonians, non-Estonians tend to be more skeptical about local government ability to solve problems. The lowest level of trust toward local government has been found in the northeastern cities (Narva, Sillamäe, K-Järve, and Jõhvi), which have a mainly Russian-speaking population (Riik & Rahvas 2002).

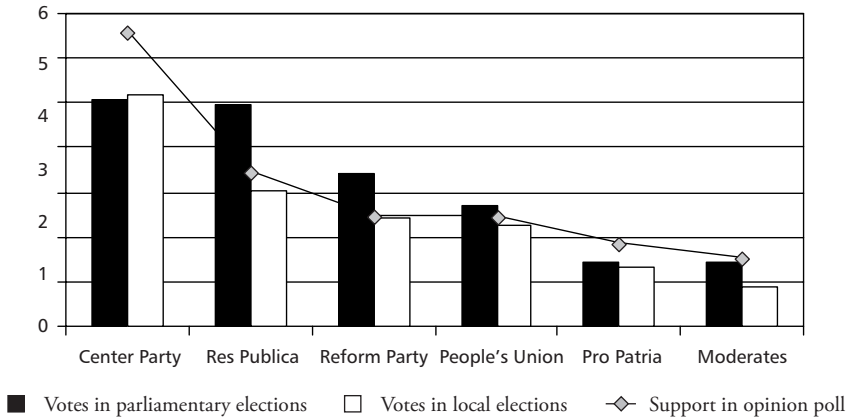
3.1.5 Electoral Results

Comparative analyses of votes given to the political parties at the local and national levels shows a general similarity (Figure 3.23). Parties with stronger support in the parliamentary elections and in opinion polls also had electoral victories in many municipalities. For example, the Center Party, with public support at the national level running about 27%-30%, received 25.8% of total votes in the last local elections. As a rule, the party's support is slightly higher in general elections, which is explained by the fact that in local elections political parties have to compete for votes with the CEUs. The latter are excluded from parliamentary elections, in which only political parties can participate in the campaign.

Quite often statistical data and political analyses ignore the participation of CEUs in the local elections and deal only with the results of political parties. This approach cannot give a true picture, because CEUs continue to play a very important role. In 2002, more than one-third of the total number of mandates was allocated to them (Figure 3.24), but in some areas CEUs won almost half of the mandates.

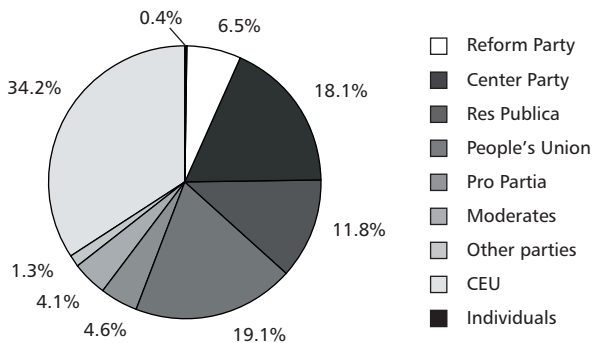
Comparing the electoral results of the last elections with the earlier ones, we can observe two basic tendencies. On the one hand, regarding votes received by political parties, we see a heavy increase in the number of parliamentary parties and, inversely, a decrease in the number of small parties (Table 3.41). The former had 64.4% of total votes and the latter just 12%. As Toomla has observed, a significant realignment of party support has occurred. For example, in 1993 the portion of votes the different parties received varied from 0.1% to a maximum of 7.1%; in 1996 the interval was almost the same. All eleven parties gained less than 10% of the votes each (Toomla 1999, 285–287). In 2002, four stronger parties received a significantly higher portion of votes, whereas small parties remained at the same level, below 1%. The second important tendency is the high efficacy of CEUs. Although their number on the competing lists decreased heavily, they did not lose votes to the party lists to the same extent.

Figure 3.23
 Voters' Support of the Political Parties
 in the Local and National Elections (2002–2003) [%]



SOURCE: National Electoral Committee; Factum Ltd. (opinion poll).

Figure 3.24
 Division of Mandates Nationwide in the 2002 Local Elections [%]



SOURCE: National Electoral Committee (<http://www.vvk.ee>).

Table 3.41
Division of Mandates across the Regions in the Local Elections (2002)

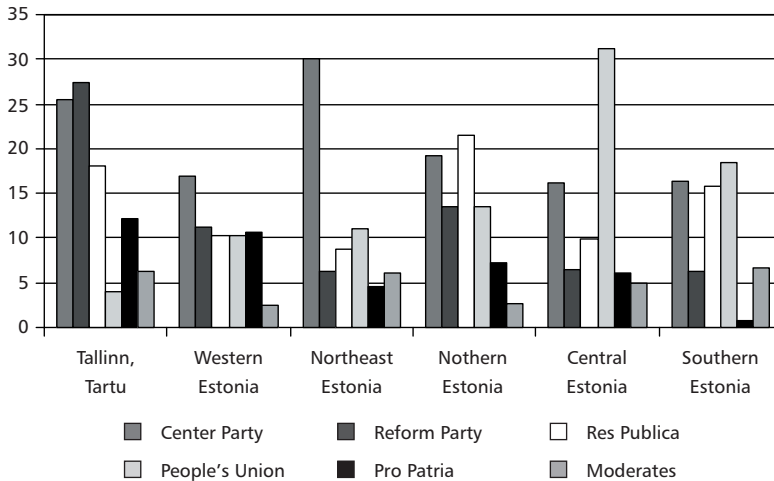
Region	Parliamentary Parties	Small Parties	CEU	Individuals	Total	Ratio
Northern Estonia	516	13	198	0	727	2.61
Central Estonia	488	3	190	3	684	2.57
Western Estonia	356	5	315	4	680	1.10
Northeastern Estonia	315	14	217	3	549	1.45
Southern Estonia	303	3	184	2	492	1.65
Large cities	133	3	7	0	143	19.0
Total	2,111	41	1,111	12	3,275	1.90

SOURCE: National Electoral Committee (<http://www.vvk.ee/r03/index.html>).

We turn now to the more detailed study of electoral results and analyze the data against some background variables such as region and municipality size. Support to political parties varies across the regions (Figure 3.25). In rural counties (Jõgeva, Tartu) the dominant party to emerge is the People's Union, whose main target group is farmers; in the northeastern region the left-wing Center party is almost twice as popular as the average, because of the support it receives from Russian-speakers. There is no big difference in the composition of the top three, except in northeast and central Estonia, where one single party enjoys enormous popularity.

A comparison of the performance of parliamentary parties, citizens' electoral unions, and individuals shows remarkable differences across the regions (Table 3.42). First of all, one can see how powerful the parliamentary parties are in the three largest cities. All seven CEUs shown in the table belong to the Narva city council, whereas in Tallinn and Tartu all mandates were divided between the parliamentary parties. The ratio showing by how many times the number of parliamentary parties' lists exceeds that of the CEUs' is ten times higher in larger cities than the national average. The deviation of Narva from other large cities demonstrates that amongst non-Estonian voters, the process of party affiliation is still in progress and many citizens do not yet have clear political preferences. Although CEUs are dominantly an urban phenomenon, there is not a clear cut picture. For example, western Estonia, with the highest number of CEUs, also includes the fourth largest city, Pärnu.

Figure 3.25
 Votes Gained by Political Parties
 in Local Elections across the Regions (2002–2003) [%]



SOURCE: National Electoral Committee (<http://www.vvk.ee>).

Table 3.42
 The Division of Mandates across the Region in the Local Elections (2002)

	Parliamentary Parties	Small Parties	CEU	Individuals	Total	Ratio
Northern Estonia	516	13	198	0	727	2.61
Central Estonia	488	3	190	3	684	2.57
Western Estonia	356	5	315	4	680	1.10
Northeastern Estonia	315	14	217	3	549	1.45
Southern Estonia	303	3	184	2	492	1.65
Large cities	133	3	7	0	143	19.00
Total	2,111	41	1,111	12	3,275	1.90

SOURCE: National Electoral Committee.

A typical feature of many electoral systems is that the share of votes differs from the portion of mandates received by the same list or candidate. In Estonian local elections, this is related to the size of the LG (to be precise—to the number of voters and the

mandate's threshold). In smaller rural municipalities, the threshold is significantly lower than in large cities. We assume this is why those parties that are most active in rural areas gain more votes than those enjoying voters' support in the cities. Table 3.43 shows this quite clearly. Especially notable is the difference for the CEU that received 35% of the mandates but only 24% of the votes. A similar pattern can be seen in the case of the People's Union, which is more popular in the countryside. The Reform Party, to the contrary, is the biggest loser because it focused its campaign on the large cities.

Table 3.43
The Division of Votes and Mandates between Electoral Lists
in the Local Elections (2002) [%]

Name of Party	Share of Votes	Share of Mandates
Center Party	26	18
Res Publica	15	12
Reform Party	12	6
People's Union	11	19 Δ
Pro Patria	7	5
Moderates	4	4
CEU	24	35 Δ

SOURCE: National Electoral Committee (<http://www.vvk.ee>).

3.1.6 Conclusion

From the previous discussion, we can conclude that electoral competition and the results in local elections are becoming increasingly similar to those at the national level with respect to electoral turnout, level of competition, balance between political parties, and even campaign expenses. Stronger parties become more influential and weaker ones lose more and more power.

At the same time, local elections still have their own peculiarities. Nonparty electoral lists, organized by local citizens themselves (CEUs), performed surprisingly well and succeeded in maintaining their position despite pressure from the big parties. These findings suggest that CEUs should be kept as a popular form of electoral participation.¹² This is also important because our study revealed that the legitimacy of local power and the feeling of belonging contribute to the high turnout more than long party lists and a high level of electoral competition.

3.2 Local Parties and Factions

The Estonian political party system has developed very rapidly, and has mainly followed a top-down path. The first parties were constituted at the end of the 1980s and the beginning of the 1990s, during the “Singing Revolution” and before the restoration of independence. In the next several years there was an explosion in the number of parties, but at the end of the decade the number decreased again as a result of organizational mergers and dissolutions.

In 2003, eighteen political parties were registered in Estonia. Some are still very small and have hardly any political influence. Six political parties are represented in the national parliament, while others could not pass the 5% electoral threshold. For our purposes, only parliamentary parties will be considered, because they are stronger in both the organizational and ideological senses. As a rule, parties that are strong nationally also have more impact at the municipal level, although there is no unanimous leader across all the counties.

Table 3.44
The Basic Characteristics of Estonian Political Parties

Name of the Political Party	Members	Seats in National Parliament	Ministers in Cabinet
Center Party	7,046	28	—
Moderates	3,104	6	—
Pro Patria Union	2,770	7	—
People's Union	7,571	13	4
Reform Party	2,999	19	5
Res Publica	3,684	28	4

SOURCE: Äriregister (data on membership as of 01.01.2003).

Estonia is the only CEE post-communist party where former communists did not succeed in returning to the political arena. Throughout the entire transition period, left-wing parties have been weaker than centrists and the right-wing parties. The Estonian party system is modestly polarized; no one is strong enough to act as a single player (Table 3.44). However, in the early 2000s the ideological center began to weaken and the cleavage between the left and the right has become sharper.

3.2.1 Political Parties at the Local Level

In local politics, parties emerged as real players only very recently, mainly since the local elections of 2002. This development was supported or even pushed forward by the enactment of pertinent legal rules and norms. The most important legal amendments regulate the membership (including the size) of political parties, their organizational structure, financing, donations, and forms of electoral participation. The latter changes had the biggest impact on local politics and local elections. One of the significant results of these formal changes was an increase in the portion of councilors elected from political party lists and of party-nominated mayors. In 1996, political parties received 37.7% of all votes in the municipal elections (Toomla 1999, 287); by 2002 this figure had already increased to 75.4%. According to our survey, nearly half (48%) of the councilors are party members; for mayors the figure is much higher—81.3% (including members of CEUs). The role of political parties in elections and in the nomination process is heavily dependant on municipality size (Table 3.45). The bigger the municipality, the higher the percentage of politicians belonging to a political party. Somewhat surprisingly, the share of political party members in the micro-municipalities' councils is also very high.

Table 3.45
Party Membership of Local Representatives and Mayors [%]

Size of Local Community by Population	Councilors Belonging to Political Parties	Mayors Belonging to Political Parties
Less than 1,000	45.9	60.7
1,000–1,999	43.5	82.9
2,000–4,999	43.8	77.4
5,000–9,999	51.5	97.4
10,000–49,999	52.3	81.8
50,000 and more	91.4	100.0
Average	48.9	81.3

SOURCE: LRS, LGS 2002.

The assumption that political parties have more control over the electoral process in larger towns becomes even more evident when one analyzes the nomination of candidates in parishes and towns. In municipalities with fewer than 5,000 residents, the nomination process is more open and free from organizational biases (Table 3.46). As our survey data demonstrate, the respondent's own party, the party in which the respondent was not a member, and the CEUs almost equally participated in putting forward candidates.

In only a very few cases were candidates nominated individually. In cities with a population of 10,000 or more, another situation presents itself, with political parties nominating the majority of the candidates from their own membership.

Table 3.46
 “What Kind of Organization Nominated You
 in the Last Election Campaign?” (Number of Cases)

Municipality Size by Population	My Party	Another Party	Citizens' Electoral Union	Myself
Less than 1,000	9	12	14	3
1,000–1,999	82	62	71	23
2,000–4,999	94	66	84	12
5,000–9,999	118	90	60	27
10,000–49,999	54	25	38	5
50,000 and more	31	3	1	2
Average (cases)	388	258	268	72
Average (%)	42.0	27.9	29.0	7.9

SOURCE: LRS 2002.

3.2.2 Party Activity

The organizational structure of political parties is determined by their statutes, which are derived from the Act on Political Parties and the Act on Nonprofit Associations. The basic principles and subdivisions are very similar for all Estonian political parties. The organizational structure usually includes regional or county organizations and local organizations (branches). Because Estonia has a one-tier local government system and there is no elected body at the county level, regional party organizations only play a minor role. Local organizations can be formed in every municipality, but no more than one branch per municipality is allowed for a single party. The minimum number of members required to constitute a local branch varies from three to ten across parties. The exact number of local branches is hard to define, due to the lack of reliable statistics. There is also a wide variety in membership, resources, and the level of activity of local organizations.

Local branches of Estonian political parties enjoy significant autonomy according to their statutes. They develop and execute party politics at the local level. Although local branches must follow the program and basic documents of their party, they are free to

compose their own action plans and select political partners. In some municipalities, parties that are in a coalition stand in opposition in others.

Participation in local elections and coordination of the work in legislative bodies form the major focus of local party activities. This can also be seen from the list of rights and responsibilities of local branches stated in the statutes of all parties:

1. To approve the electoral program for local elections;
2. To nominate candidates for local elections;
3. To organize the electoral campaign in their municipality;
4. To declare coalition partners in the municipal council and government; and
5. To assess at least once per year the work done by the party faction in the municipal council.

The importance of engagement in the municipal legislature is stressed by the formalization of relations between elected representatives and local party organizations. The local branches have their own internal structure, which controls the activities of representatives in the municipal council. Every local branch has its board, which proposes an electoral platform and a list of candidates to the assembly for approval. In some stronger party organizations (Res Publica and the Center Party) a system of primaries also exists. Party representatives in the municipal council, in turn, have to report on their activities to the party branch. However, survey data reveal that these hearings are only formalities, in which rank-and-file members play the role of passive audience. It is remarkable that, on the survey, local councilors who are not members of any political party attached greater importance to the local branch in decision-making than to party members themselves (ratings of 3.7 and 3.0 on the 7-point scale respectively). The former also believe that the party branch can be an important source of information (4.7), while the latter did not share this optimism (mean of 3.1). The impact of the party factions, in contrast, received higher ratings by the party members than by councilors without a party affiliation (4.2 against 3.8).

These data suggest that councilors who are not members of any political party cannot distinguish between the local branch and the party faction, whereas for party members themselves, these organizational forms have clearly different powers. The performance of political parties in local councils is the subject of further analysis in the next section; here, we turn to the broad spectrum of activities focused on the general public.

The survey data show a wide variance in local party activities, so the task of presenting a complete overview on this issue is rather complicated. Of the CAOs responding to the survey, 48% reported the existence of at least one party branch in their municipality. In municipalities with 5,000 and more constituents the figure was 74.8%, whereas in smaller LGs (1,000–5,000), party branches were reported in only 39%–41% of cases.

Because of the high percentage of missing values, one must exercise caution in analyzing the given estimates of party activities. Still, survey data correspond with

electoral statistics and opinion polls in their basic features. The two largest political parties—the agrarian People’s Union and the leftist Center Party—surpass others in terms of active presence in local politics. Moderate parties that are weak at the national level are at the bottom of the ranking in local activities as well (Table 3.47).

Table 3.47

Passive and Active Presence of Political Parties at the Local Level [%]

Name of Party	Branch Exists in the Municipality	Branch Organized a Public Event Last Year	Share of Active Local Branches
People’s Union	29.6	17.5	59.1
Center Party	23.4	16.8	71.8
Res Publica	18.2	11.4	62.6
Reform Party	16.8	11.3	67.2
Pro Patria	13.4	10.0	74.6
Moderates	7.9	5.2	68.4

SOURCE: LGS 2002.

The share of active branches does not necessarily correspond with the number of local organizations. As Table 3.47 illustrates, the difference in the level of activities among the parties is less than the variance in the formal existence of local organizations. The Pro Patria Union, which has the highest ratio of active organizations, does not have a large network of branches. The latter indicator is related to the total membership in a political party. Two leaders in level of activity—the People’s Union and the Center Party—have more than 7,000 members, which is much higher than the membership in other parties (see Table 3.44).

Because our survey was carried out in the same year as the local elections, we asked how many public events were organized as part of the electoral campaign. Somewhat surprisingly, parties organized a variety of events, not only ones aimed at gaining votes in the upcoming elections. There was no variance in this matter among political parties.

Another striking finding of the CAO survey was the diversity of organizers of local public events (Table 3.48). Political parties are far from playing the most active role. Instead, NGOs, foundations, and local firms often take the lead in empowering citizens. The most frequently mentioned were individual citizens who had organized a meeting, demonstration, or signing of a petition on local issues. However, these figures cannot be interpreted as an explicit indicator of the weakness of political parties. According to P. Mair, modern political parties, which he calls cartel parties, are much less interested in working with the broad public. Instead, political deal-making and the efficacy of governance is their

focus (1997). This theory seems to be valid for the Estonian situation. In unconventional forms of political participation like protest meetings, collecting signatures for a petition, challenges to municipal government decisions, etc., political parties rarely take the initiative. Probably this is because unconventional forms of activity call for noninstitutionalized actors.

Table 3.48
Organizations That Played the Most Important Role
in Unconventional Actions* [%]

Organizers of Unconventional Forms of Public Participation	% of Cases
Individual citizens	70.4
Civil society organizations	36.6
Local branch of a political party	22.0
Representatives of local firms or institutions	18.4
Groups or organizations outside the municipality	18.2
Local businesspeople	8.2

NOTE: * For example, demonstrations, signing of petitions, and challenges to government decisions.

SOURCE: LGS 2002.

3.2.3 Factions

Given the proportional representation system, the composition of local councils in Estonia usually involves more than two—as a rule three or four—different political forces. In these circumstances, factions play an important role in organizing business; they have the right to initiate legal acts and amendments, to nominate candidates for elected posts, and to make enquiries to the mayor and municipal government members. A faction can be formed on the basis of representatives elected from one single list; each person can only belong to one faction. Every municipality sets the minimum number of representatives needed to form a faction.

Because Estonia still has Citizens' Electoral Unions in addition to political parties, factions can be formed by CEUs as well. This has been heavily criticized by the big parties, who claim that a faction without a permanent organization behind it is unable to keep its promises or act as a stable partner. As is apparent from the electoral results in the previous section, CEUs account for a large portion of the seats in municipal councils. Unfortunately, information about the internal rules of CEU factions is almost entirely unavailable, so we must rely exclusively on the LGS and LRS data for our analysis.

More information is available concerning the activities of political parties in local councils. The position and competencies of political party factions are clearly defined in all party statutes, and one can observe here that factions have formally less autonomy than the local branches themselves. The former have to act in accordance with decisions and documents approved at all organizational levels. Factions must negotiate with their party organizations all political agreements and coalitions made in the municipal council. Party members who are elected into local councils are obliged to join a faction (typical for all parties) and to vote as decided collectively (only applies to the Center Party). Furthermore, if a party member leaves the faction, he or she will be excluded from the political party (only applies to the People's Union).

Moving from the formal rules and legal documents to real faction politics at the local level, one discovers a more complicated and diverse picture.

Our analysis of voting patterns revealed that in hot debates on controversial matters, the majority of representatives tend to follow mainstream opinion. The behavior pattern of councilors does not depend on the number of times they have been reelected, but on the body that nominated them for election. Councilors nominated by the CEUs tend to be the most loyal and nominees of their own party the least loyal to the majority view on council. Factions and political leaders have greater influence on councilors than the general majority. There is only a slight difference in the responses of those elected from party lists and those elected from the CEU lists (see Table 3.49). Consequently, the opinion that CEUs are too weak to lead the voting behavior of their members turned out to be invalid according to the LRS findings. Both CEU factions and own political party factions tend to have a similar influence. In the third case, when a councilor has been nominated by a party of which he/she is not a member, there is a weaker impact on personal voting behavior.

The development of factions in municipal councils is generally influenced by two fundamental factors. Firstly, until the amalgamation of small LGs takes place as planned in the administrative reform, the size of representative bodies makes the formation of mature faction politics impossible in most Estonian municipalities, because of their small size. An average local council today has ten to fifteen elected representatives, and in only five cities is the number is greater than thirty. A second factor concerns the development of political parties and changes in the Electoral Acts. Until the local elections in the fall of 2002, Estonia had a significant portion of independent candidates and nonparty electoral lists. Today, the share of individual candidates is below 1%. There are currently very few municipalities (6%) in which elections were held without the participation of political parties. Although the total number of party lists has risen, the smaller parties opted out of electoral competition. Even if they did participate, very few of their candidates were elected. The strengthening of political parties also forced citizens' unions toward consolidation, which in most cases led to the formation of a faction.

Table 3.49
Influence of Faction and Political Leaders
on the Formation of Councilors' Personal Opinions Dependent
on Nominating Body (7-Point Scale)

Nominating Body	Count	Influence of My Faction	Influence of My Party/ Organization's Leader
My political party	393	5.53	4.81
Another political party	267	5.16	4.15
CEU	271	5.35	4.29

SOURCE: LRS 2002.

These changes certainly influenced the composition and level of fragmentation of local representative bodies. One would assume that, because of the trend toward organizational consolidation in electoral politics, the fragmentation of councils would decrease as well. The first impact of these changes can be analyzed on the basis of LGS and LRS data. Patterns of fragmentation can be studied in two ways: the number and size of factions and the terms of coalition–opposition relations.

Municipalities with populations below 5,000 residents and with councils below sixteen representatives form the largest group—83% of all local councils in Estonia. Thus, the average number of factions per council is rather low—1.98 factions. In towns with 10,000–50,000 residents there are 3.27 factions on average and 3.63 in the three largest cities. To speak about two to three factions as a general rule would not be correct, since 19.6% of respondents in the LGS reported that factions do not exist at all in their municipal council.

Given the varying strength of the different political parties, one might expect that stronger parties would have more factions and they would be larger in size. Although the LGS data presented a very diverse and incomplete picture on this issue, some conclusions may be drawn. The parties that are active nation-wide and not only in the large cities tend to have more factions and a higher mean size. This holds for the Center Party, the People's Union, and the Citizens' Unions. The maximum size of factions is very high. Keeping in mind the data on the average size of city councils (Table 3.50), this can be regarded as evidence of the decreasing fragmentation of councils. Thus, the largest faction of the Center party has 32 members, which is 50.7% of seats in the capital. Factions with 17 or 23 members can also control a majority in the city councils.

Table 3.50
 Characteristics of Local Council Factions across Political Parties

Name of Party	Share of Mandates	No Faction [%]	Mean Size of Faction	SE of Mean	Maximum Size of Faction
Center party	18	37.8	5.52	0.62	32
Reform party	6	44.3	1.50	0.23	23
Res Publica	12	41.6	1.53	0.21	17
Pro Patria	5	39.9	1.29	0.17	9
Moderates	4	44.3	0.83	0.16	12
People's Union	19	37.1	2.67	0.27	17
CEU	35	7.2	3.91	0.41	14

SOURCE: National Electoral Committee (<http://www.vvk.ee>); LGS 2002.

Relations between factions and coalition partners are quite formalized at the national level. For example, the coalition agreement of central government, which is made available on the web site, is one of the most important documents in decision-making and draws regular attention from the media. Lobbying and voting behavior in the national parliament also have stable traditions, although not as formal and transparent as in Western democracies.

At the local level the situation is much vaguer, with 69.5% of the LGS respondents declaring that no written coalition agreement exists in their municipal council. In councils without formal agreements, factions sometimes coordinate their actions informally before voting. In 44.4% of councils coordinated action around voting occurs without a written agreement.

As might be expected, written agreements are common in larger municipalities, while in smaller LGs the picture is quite mixed.

Formalization of interparty contacts in municipal councils can also be dependant upon the strength of the party organization. When comparing cases where political parties in coalitions also have a written coalition contract, one can see a remarkable variance between parties. The Reform Party and Res Publica have the highest level of formalization of political cooperation. They have public coalition agreements in 68.8% and 62.9% of the situations, respectively. Still, we should be cautious in interpreting these findings as an indicator of organizational strength. The two parties in question form coalitions mostly in city municipalities where, as mentioned earlier, interparty relations are more formalized. This urban–rural nexus is supported also by the fact that the People's Union, which most indicators would suggest is a strong party organization, has a lower percentage of written agreements than other parties.

Table 3.51
Formalization of Interparty Relations in Local Councils

Size of Municipality	Informal Agreements [Number]	Informal Agreements [%]	Written Agreements [Number]	Written Agreements [%]
Fewer than 1,000	7	36.8	4	14.8
1,000–1,999	30	38.5	21	20.8
2,000–4,999	29	50	20	23.5
5,000–9,999	10	76.9	25	67.6
10,000–49,999	0	—	8	72.7
More than 50,000	0	—	3	100.0
Total/average	76	44.4	81	30.5

SOURCE: LGS 2002.

3.2.4 Conclusion

Our examination of party activities at local level confirmed the findings on electoral participation. The Center Party and the People's Union, which had the best electoral performance, turned out to be the strongest in the organizational sense as well. The strength of political parties is determined by two kinds of factors. Firstly, the small size of local councils has a significant impact on political work at the local level because the small number of representatives causes a small number of factions. The majority of local councils has two or three factions with a very limited membership and vague internal rules. In larger cities, interparty relations are more formalized and based on written coalition agreements. Secondly, the organizational discipline of political parties also seems to play a role in establishing faction politics. Nevertheless, the impact of this factor is far less than the influence of municipality (and council) size.

Our study revealed that citizens' electoral unions continue to play an important role in local politics. Despite widespread criticism, they are not particularly vague and often form factions like political parties. The impact of both types of factions on the formation of councilors' opinions and on their decision-making also shows a fairly similar pattern.

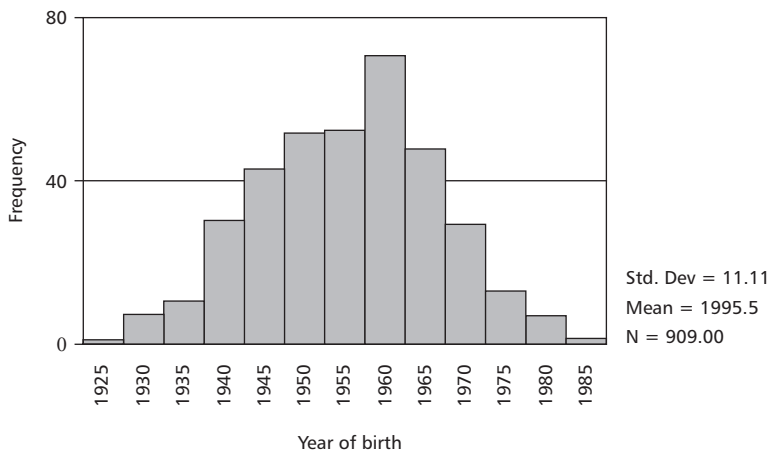
3.3 Local Representatives

3.3.1 Social Background

The sociodemographic characteristics of local representatives reveal a surprisingly uniform picture across the country. The average age of candidates in the last local elections was 44.8 years and the age interval did not exceed two years in the county means comparison. The generations are not equally represented in local bodies—young people below 33 and the elderly over 63 are heavily underrepresented.

The average age of elected representatives was slightly higher than that of candidates, at 46.4 years (see Figure 3.26). According to the statistics, local representatives are just a year younger than members of the national parliament. It is interesting to note that the average age of members of parliament has been decreasing, but the average age of local councilors is increasing, so they are currently almost at the same level.

Figure 3.26
The Age Structure of Local Representatives (2002)



SOURCE: LRS 2002.

The share of women among candidates and local councilors has modestly increased during the ten years of free elections. In the two latest elections, women comprised 28.4% of local councilors, which is still very low compared to the neighboring Nordic countries. Women also did not fare as well as men in electoral campaigns. The share of female candidates in 2002 was 37.7%, but amongst councilors women accounted for

28.3% (Table 3.52). It is worth stressing that women's success in getting seats is even decreasing. Although the portion of women among candidates today is higher than in previous elections, the gender balance amongst representatives has not improved. According to the Raitviir, one reason is the increasing level of competition. The higher the competition, the lower is the change in the direction of more female candidates. For example, women comprise 23.8% of Tallinn city councilors, which is lower than the national average and also less than their share after the elections in 1999. At the level of local council speakers, the situation is even worse. In 2003, only 12.3% of speakers' positions in rural municipalities and 15% in towns were occupied by women (Raitviir 2003). Thus, women are heavily underrepresented in Estonian local politics.

Table 3.52
Gender Representation by Region (2002) [%]

Estonian Regions	Counties Included	Women among Candidates	Women among Elected Councilors
Western	Hiiu, Saare, Lääne, Pärnu	38.5	28.3
Northeastern	Lääne-Viru, Ida-Viru	40.6	32.5
Northern	Harju, Rapla, Järva	37.7	26.8
Central	Jõgeva, Viljandi, Tartu	38.7	28.7
Southern	Valga, Põlva, Võru	35.8	25.3
Total	All 15	37.7	28.3

SOURCE: National Electoral Committee (<http://www.vvk.ee>).

The majority of the local councilors have lived a long time in the municipality where they are representatives. Of the respondents to the LRS, 84.3% have resided in their current location for more than fifteen years and 14.2% have been there from four to fourteen years. This shows that voters prefer candidates who are familiar with the local situation and problems. Only 1.4% of the councilors in our survey are recent newcomers who have lived in the municipality less than three years. A strong attachment to local life is also reflected in the self-identification of local councilors. They feel the closest ties with the localities (mean of 6.0 on a 7-point scale) and municipalities (5.7) where they currently live, whereas Estonia and Europe are less valued. Somewhat surprisingly, our study revealed that local identities are even more important for non-Estonian councilors, while in attitudes toward the country and Europe, no differences between ethnic groups became apparent.

In terms of education, people with university degrees are overrepresented in the local councils, but those with vocational education comprise only 10% and persons with

basic education 1.4% of local councilors (Table 3.53). In self-administered surveys like the LRS, more educated respondents tend to be overrepresented, so the actual situation may be more balanced.

Table 3.53
Education of Representatives and the Electorate [%]

Education	Population Aged 15–74	Local Representatives	Difference
Basic or vocational	24.3	11.5	–12.8
Upper secondary	51.5	31.6	–19.9
University	24.2	53.6	+29.4

SOURCE: ESO; LRS 2002.

Due to their high level of education, the majority of local councilors can communicate in foreign languages and use e-mail and the Internet. The share of Internet users among local politicians is almost double the national average. While 40% of the Estonian population between the ages of 14 and 75 uses the Internet regularly, the same indicator for local councilors is 73.7%. There is no gender difference in communication and language skills, but urbanization is an important predictor of communication behavior. The share of Internet users increases in proportion with the size of the municipality (Table 3.54). In the capital city of Tallinn, nearly every local representative seeks information on the web and writes e-mails regularly. In small rural municipalities, e-mailing is half as common and only 62% of councilors uses the Internet.

One-third of councilors have obtained training in public administration, politics, or public relations. As a previous survey revealed, the training depends significantly on available resources and on the size of the municipality. Larger municipalities have more human and financial resources to carry out training courses (Eesti Linnade Liit et al. 1998). Our LRS study confirmed this finding. In micro-municipalities with populations below 1,000, only 13.5% of councilors have had relevant training. In LGs with a population of 1,000–10,000, this figure was 30.8% and in town municipalities with more than 10,000 inhabitants it was 55.4%.

Certain personal obstacles also hinder the participation of councilors in political training. A long distance to the training school and lack of time are the most often mentioned reasons for staying out (Eesti Linnade Liit et al. 1998).

Table 3.54
Communication Skills of Local Representatives [%]

Size of Local Community	Local Councilors		
	Foreign Language Users	E-mail Users	Internet Users
Less than 1,000	32.4	40.5	62.2
1,000–1,999	33.6	50.0	69.5
2,000–4,999	31.8	54.8	72.1
5,000–9,999	45.9	67.0	77.2
10,000–49,999	54.1	66.4	79.3
50,000–99,999	25.0	62.5	87.5
100,000 and more	71.4	89.3	96.4

SOURCE: LRS 2002.

Being a representative in the local council in Estonia does not usually mean having to give up one's former job. Most representatives try to combine professional and political careers. The average age of councilors noted previously is an additional explanation for this situation: these councilors have family obligations and remarkable professional capital. In their employment, 69.1% work full-time and 13.8% are self-employed. They enjoy quite a high position in the occupational structure—34.5% are owners or co-owners of their firms and 39.2% supervise co-workers from time to time. Taking into account the councilors that are self-employed (14.5%) one can see that only a small minority of representatives does not have decision-making or leadership experience in their daily workplace.

According to longitudinal surveys (Monitoring 2002), Estonians and non-Estonians possess different status in the labor market. There are more Estonians in management positions and in human services, while the Russian-speaking population is still mainly occupied in large industry. Our study showed that these general trends apply to the local councilors as well. Non-Estonian councilors are significantly more often employed as workers without management responsibilities; they reported self-employment as a form of occupation in only a couple of cases. This discrepancy has its roots in Soviet labor policy and has demonstrated extreme rigidity in the transition to the market economy. The current survey findings have given us an initial description of the situation, but further analysis is needed to estimate the impact of occupation on councilors' political work.

For one-quarter of respondents, being an elected representative has been a family tradition, with their mother or father holding this position as well.

3.3.2 Political Background

The collapse of the communist regime at the beginning of the 1990s fundamentally changed the political career of many people. In the Soviet period, membership in the communist party was a prerequisite for becoming a representative in the council or obtaining a high position in an executive body. Today, near half (48%) of local representatives belong to a political party, but only 3.6% of them were affiliated with the communist party before 1992. The latter figure must be treated with some caution, because even today public opinion regards membership in the communist party as something shameful, so some respondents may have refused to answer this question. More continuity can be found in representatives' political careers, with 13.6% of respondents indicating they were members of a local council before the restoration of democracy in Estonia. In the 2002 local elections, approximately one-third (34.6%) were elected for the first time, whereas a significant portion of representatives regained their position for a second (25.3%), a third (21.8%), or a fourth (12.6%) time.

The main political experience of representatives is related to the municipal council. The functions of committee chair, committee member, and speaker of the council are most often mentioned as positions held before the last local elections and currently as well. Very few local councilors have experience in politics at the national level (Table 3.55).

That councilors have a local orientation towards their own career planning is also confirmed by the fact that the most appealing future for them is related to public positions at the municipal level. In identifying their preferred position ten years from today, 37.6% would like to be in the same position, 10.1% would improve their position in local politics, and only 6.5% see themselves in higher positions at the national level. More than half (55.6%) think they will stand as candidates in the next local elections as well.

Table 3.55
Political Positions Most Often Held by Local Representatives [%]

Positions Held	Before Last Elections	Currently
Head of council	9.6	8.6
Committee chair	32.1	38.7
Member of parliament	1.4	0.8
Officer in a CSO or member of the LG Union	9.2	1.7

SOURCE: LRS tested in 2002.

3.3.3 The Social Capital of Local Political Leaders

Civil society organizations (CSOs) are still not common in Estonia. Therefore, not many kinds or types of these organizations are part of the environment of local political leaders. They spend spare time with their families and friends more often than in charitable or religious organizations. Most (79.5%) local representatives spend no time with church members and 46.1% are never engaged in charity. Generally speaking, council members seem to lack spare time for leisure activities. Only one-third can undertake activities with their families every week or nearly every week, while for most of them, this is possible only once or twice a month.

Membership in civic organizations (mostly in just one) was declared by 25% of the LRS respondents. Associations and unions (except trade unions) are more common organizational forms, corresponding with the general statistics on civil society organizations in Estonia. Estonian CSOs are not large in size; therefore, it is not a surprise that 44% of local representatives belong to a CSO with fewer than five members. Another typical feature of civil organizations is the local nature of their activities. This is confirmed by LRS findings: 41.3% of the CSOs to which councilors belong are active in one municipality only. They often discuss local public issues (347%), represent different social groups in the municipality (28.5%), and some of them cooperate closely with the municipal government (14.1%) and enjoy tangible support from the local government (16.1%).

Those who declared that they are members of a CSO are usually more active than rank-and-file citizens. One-third of respondents mentioned different leading functions in these organizations. Some of them regard civic activism as a political stepping stone in their public careers (Table 3.56).

Table 3.56
The Main Forms of Engagement
of Local Representatives in Civic Organizations [%]

Forms of Membership Activities	Agreed
I was one of the founders of the NGO	35.6
I am the local leader of the NGO	30.6
I have organized events during last three months	36.3
I devote more than ten hours per month to organizational activities	25.7
When joining an NGO, I knew that it would promote my public career	19.6

SOURCE: LRS 2002.

Although only a minority of local politicians is involved in civil society activities, this small minority is using civil society potential consciously and is trying to make a connection to their work in the municipal council. CSOs can also serve as meeting opportunities for discussing political issues, since 13.4% of councilors reported that they belong to a CSO where some other council members are similarly involved.

Engagement in civil society organizations depends on the size of the municipality, but there is no linear correlation. Both in small rural communities and in large cities (above 50,000 residents), councilors are less eager to participate in CSOs. The highest portion of socially active councilors (45.3%) can be found in medium sized municipalities with 10,000 to 50,000 residents.

A comparison of Estonian survey data with the results of the same survey performed in four CEE countries in 2001 reveals increasing civic activism. Estonia has the highest portion (24.9%) of councilors who also hold a leading position in a social organization. The same figure for Poland was 22.7%, for Hungary 15.9%, for Latvia 5.4%, and for Romania 1.4% (Wright 2002, 394). Of course, not only the time factor but also national features of civil society must be taken into account in such international comparisons.

3.3.4 The Political Culture of Local Representatives

The attitudes of local representatives can serve as an important indicator in identifying the state of democracy. Their support for the basic democratic values like citizens' involvement, interest mediation and conflict resolution, transparency, and the rule of law can enhance local democracy. In addition, representatives' attitudes toward the socioeconomic responsibilities of government can influence council's decisions in public policy. We asked local councilors to indicate their attitudes toward different political and socioeconomic statements on a 7-point scale. A diverse and in some respects controversial picture emerged from this. Three statements of eleven received an extreme value of "1" as the mode, meaning that the majority of representatives believes that equal rights must be guaranteed to everyone in democracy, that competition is a good thing because it stimulates hard work, and that government should carry more responsibility to ensure normal living standards for everyone (Table 3.57). The two latter statements represent different ideologies, but both of them were equally supported by the respondents.

When comparing the Estonian survey findings to those received a year earlier in Hungary (Soós and Kalman 2002, 69), one sees a similar picture. Both Estonian and Hungarian representatives support social equality, but their views on the means to achieve it are rather mixed and vague.

Table 3.57
Statements Receiving the Most Support by Local Councilors (7-Point Scale*)

Statement	Support Given [%]
Competition is good. It stimulates people to work hard.	74.0
The government should take more responsibility to ensure that everyone is provided for.	45.5
If everyone participates, people's needs and wants are easier to meet through public decisions.	62.4
In a democracy, everyone should have exactly the same rights.	45.6

NOTE: * Answers at points 1–3 or 5–7.

SOURCE: LRS 2002.

Another striking finding was that in statements on income equality and on privatization of industry, preferences were spread over the whole scale and the mode fell at point “4”, i.e., in the middle of the scale. Thus, we cannot conclude that local councilors support a clear ideological orientation. Rather, their attitudes depend on certain burning social issues (deepening income cleavage, too minimalist state, double legal standards for top politicians and citizens, etc.). One can also notice the impact of certain popular ideological discourses in Estonian political thinking. Statements derived from the policy talk of New Public Management received the support of local councilors regardless of municipality size (Table 3.58).

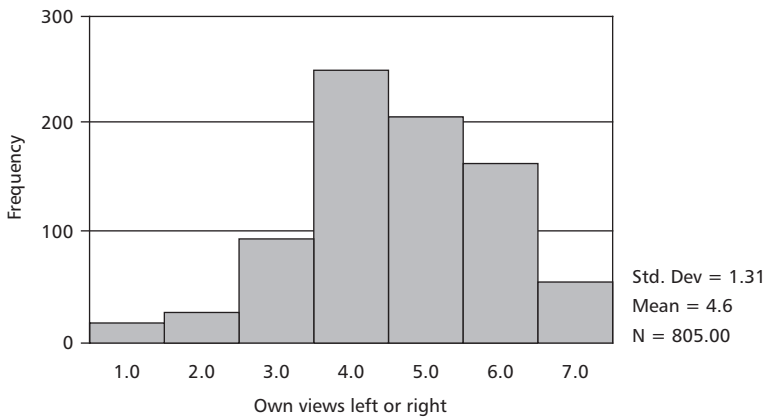
Table 3.58
Local Councilors' Support of New Public Management Ideas
by Size of Local Government (7-Point Scale)

Statements	Less than 1,000	1,000–1,999	2,000–4,999	5,000 and More	Average
The public sector in Estonia is too large	4.12	4.43	4.53	4.49	4.47
The private sector is more efficient	4.36	4.80	4.78	4.95	4.85
My views on left–right scale (1–left; 7–right)	4.31	4.59	4.58	4.66	4.61

SOURCE: LRS 2002.

Uncertainty in personal political orientations also becomes evident when one looks at another 7-point scale. Respondents were asked to identify whether they support left- or right-wing values. Of the total respondents, 18% refused to answer and 27% placed themselves in the middle of the scale (Figure 3.27).

Figure 3.27
The Self-perceived Ideological Orientation
of Local Representatives (7-Point Scale*)



NOTE: * 1—left-wing orientation; 7—right-wing orientation.

SOURCE: LRS 2002.

The ideological orientations of local representatives correspond to the average state of public attitudes. Different studies revealed a slight preference toward right-wing orientations during the entire decade of the 1990s; the share of voters identifying themselves as centrists was permanently around one-third (Lauristin and Vihalemm 1997).

The similarity of the party preferences of councilors and voters can also be analyzed by comparing their support for the different political parties. Ratings given by LRS respondents and the share of votes given in the last local elections confirm that the agrarian People's Union is more popular in parishes, whereas right-wing parties (the Reform Party and Res Publica) gain more support in cities (Table 3.59; see also the voting statistics in Figure 3.25). Councilors in larger LGs do not support parties that are currently weak and stay in opposition at the national level (Moderates, Pro Patria), which can be explained by the closer link between central government and local government in the main cities. (It is legal in Estonia for one person to be a representative in the national parliament and in the municipal council at the same time. This practice is quite common in the capital city.)

Table 3.59
Local Councilors' Support for Political Parties (7-Point Scale*)

Size of Local Community	Party					
	People's Union	Pro Patria Union	Center Party	Moderates	Reform Party	Res Publica
Less than 1,000	4.96	2.79	4.25	3.15	3.29	3.77
1,000–1,999	4.14	3.10	3.45	3.58	3.88	3.85
2,000–4,999	4.27	2.89	3.38	3.36	3.72	3.74
5,000–9,999	4.09	3.22	3.47	3.57	3.86	3.80
10,000–49,999	3.62	3.37	3.18	3.45	3.85	3.77
50,000 and more	3.00	2.82	3.35	2.53	4.35	4.38
Total	4.08	3.09	3.43	3.44	3.82	3.81

NOTE: * 1 – lowest support; 7 – highest support.

SOURCE: LRS 2002.

Trust is an important indicator for measuring the legitimacy of democratic institutions and the strength of social capital. The latter problem has not been very deeply studied in Estonia, but the level of institutional trust has been surveyed since 1995. When comparing the trust of local representatives toward the main democratic institutions with that of the general public, one sees similarities in the ranking. Both categories of respondents trust the president most and political parties least. Local representatives are more critical than citizens; this especially pertains to central government institutions—the national parliament and cabinet of ministers, and the media (Table 3.60). Respondents who have been elected representatives for a longer time have more critical attitudes, especially toward executive bodies, courts, police, and political parties.

In addition to the number of times the respondent has been reelected, the level of trust depends on the size of the LG and the respondent's income. Respondents with a higher income have more trust toward democratic institutions. The same correlation was found in a public opinion survey, "The State and the People" (Saar and Rentel 2000). Although we can expect that small LGs are less wealthy and thus lack trust, this interaction did not turn out to be a linear one (Table 3.61). Central government institutions and political parties are more trusted in large LGs. The president and the police, on the contrary, receive higher ranks in parishes.

Table 3.60

Share of Respondents Who “Completely” and “Rather” Trust Listed Institutions [%]

Institution	Local Councilors	General Public
President	73.1	79
Courts of law	47.5	47
County government	47.1	65*
Police	40.7	50
Central government	34.8	51
Parliament	24.4	45
Media	23.2	44
Political parties	12.3	22

NOTE: * Municipal government.

SOURCE: LRS 2002; Eesti ühiskond, tested in May–June 2002.

Table 3.61

Trust toward Political Institutions by Size of Municipality (7-Point Scale)

Institution	Size of Local Community						
	Less than 1,000	1,000– 1,999	2,000– 4,999	5,000– 9,999	10,000– 49,999	50,000 and More	Total
Parliament	3.31	3.62	3.54	3.65	3.66	4.14	3.62
President	5.33	5.23	5.16	5.17	5.10	4.75	5.16
Central government	3.53	4.01	3.86	3.97	4.02	4.08	3.94
Regional government	3.56	4.21	4.23	3.92	4.04	3.83	4.07
County government	4.44	4.42	4.42	4.02	3.93	3.94	4.23
Courts of law	3.89	4.25	4.09	4.07	4.34	4.58	4.16
Police	4.31	4.15	4.04	3.95	4.15	3.92	4.06
Media	3.36	3.57	3.49	3.52	3.63	3.39	3.53
Political parties	2.22	3.02	2.93	2.97	3.16	3.67	2.99

NOTE: * 1—do not trust at all; 7—completely trust.

SOURCE: LRS 2002.

Another dimension of trust—toward fellow politicians and citizens—was measured in the LRS by three items. Of all respondents, 66.7% believe that most people can be trusted and that only rare people try to misuse trustful relations. Regarding interpersonal trust amongst local citizens, councilors express more skepticism. The mean value on the 7-point scale was lower (3.69) than the scale median (4.0). Analysis of the data revealed that political party members and Russians believe less in mutual trust between fellow citizens (means of 3.47 and 3.03 respectively).

Concerning good relations with colleagues in the local council, representatives tended to be quite positive. They believe that the promises given by members of their own faction can usually be trusted (mean of 5.2). They are not quite as certain (mean of 3.5) about members of other factions. Gender, educational level, or times reelected did not play any remarkable role in these opinions, but once again non-Estonian representatives tend to express less trust toward factions and fellow councilors. One possible explanation for this may be the quarrels and organizational splits in Russian political parties, which have eroded positive attitudes.

3.3.5 Local Representatives' Attitudes towards Representation

In the policymaking process, the mediation of different social interests gains special importance. In the ideal model of pluralist democracy all interest groups have rather equal influence on the policy process. But what is the situation in reality? Which groups do local councilors regard as important enough that their opinions should be taken into account?

According to the survey data, local representatives pay a lot of attention to the opinions of their constituents. Partial interest groups' views (their own political parties or different social groups) are not so meaningful (Table 3.62). Other categories that were ranked as important on the scale were all residents in the municipality and citizens who voted for the respondent. Central government agencies and ethnic groups received the lowest ranking. A detailed analysis revealed that voters and residents are most important for all respondents regardless of their party membership, number of times of reelected, ethnicity, or municipality size. Particular interests (ethnic minorities, political parties, and occupational groups) were ranked differently by various categories of councilors. As would be expected, party members give more value to their own party organization and also, somewhat surprisingly, to the central government agencies. The latter attitude could be explained by the existence of "pork barrel" politics (Dunleavy and O'Leary, 1992), where central government resources are distributed to the local level via lobbying by top members of political parties.

Non-Estonians formed another category of respondents who paid more attention to the central authorities, but this is probably related to the fact that it is common for Russians to believe in the efficacy of central government.

Table 3.62
Social Groups Considered by Local Representatives
in Decision-making (7-Point Scale)

Considered Social Groups	Party Members	Non-Members	Estonians	Non-Estonians	Average
All residents	5.87	5.84	5.84	6.08	5.86
My voters	5.27	5.06	5.13	5.67	5.17
My party	4.76	4.04	4.38	4.89	4.41
Occupational groups	3.49	3.33	3.38	3.81	3.41
Central government	3.19	2.90	3.00	3.42	3.03
Ethnic groups	3.06	2.83	2.92	3.33	2.94

SOURCE: LRS 2002.

The most discouraging finding in councilors' attitudes toward representation was the negative correlation between the assigned importance and the number of times the councilor had been reelected. Councilors reelected three or more times demonstrated less interest in the opinions of all the mentioned social actors. This seems to show some tendency toward political alienation amongst long-term local politicians.

The municipal councils are not simply representative bodies; they also have to make regular political decisions. This raises the question: What is the balance between the mediation of interests as discussed above and actually bringing these interests into formal norms? For the purposes of analysis, councilors were asked to indicate the impact of twelve different persons, institutions, or interest groups on their personal decisions and on the decisions of LG. It turned out that the most influential actors are local ones—the mayor was rated at 5.4 and own faction at 4.6, while civil society organizations and associations were seen to have only a minor influence on LG decisions. The media had the lowest rating of the twelve actors.

When comparing the impact of these same actors or institutions on councilors' personal decisions, one can discern some issues worth noting. The biggest disparity concerns the role of citizens in the decision-making process. Local citizens are thought to be very influential on councilors' personal judgments, but the councilors do not believe that citizens can influence LG decisions. Consequently, there is a missing link between voters' representation and policy outcomes. On the one hand, councilors do seem to understand their main political role—to represent citizens, but they feel themselves unable to carry these public interests into local government decisions.

Table 3.63
Actors Having Main Influence on the Decision-making
of Councilors (7-Point Scale)

	Impact on LG Decisions	Impact on Councilors' Personal Decisions
Local citizens	3.5	5.5
Members of my faction	4.6	5.4
My party organization	3.5	4.8
The mayor	5.4	4.6
Civil organizations	3.3	4.1
Local businessmen	4.0	3.9
The media	3.3	3.0

SOURCE: LRS 2002.

The significance of local residents for councilors becomes clear when analyzing the sources of information they use in decision-making. Personal contacts with citizens are mentioned as the most important source of information when making decisions in the local council (Table 3.64). The municipal government, friends, and local media are in second place. When testing the role of citizens against background variables such as municipality size, times reelected, and party membership, we find once again that size of municipality is the strongest predictor for all LGs.

The roles of the workplace and of the party branch as information sources vary significantly. Both are much more meaningful in large municipalities, while communication between the representative and executive branches is more of a factor in smaller municipalities. Some sources like NGOs, the media, office hours, and letters from citizens were ranked independently from municipality size. Neither the number of times reelected nor party affiliation shows a correlation in the local representatives' estimates on information sources.

Table 3.64
Importance of Feedback Channels of Local Representatives
by Size of Local Community (7-Point Scale*)

Size of Local Community	Information Source				
	Meetings	Personal Contacts with Citizens	Administration	Work Place	Party Branch
Less than 1,000	4.91	6.46	5.23	3.90	2.71
1,000–1,999	4.97	6.06	5.47	4.66	3.85
2,000–4,999	4.79	6.07	5.47	4.78	4.03
5,000–9,999	4.72	6.01	5.11	4.73	4.12
10,000–49,999	4.49	6.05	5.11	5.11	4.48
50,000 and more	4.12	5.86	5.00	5.15	4.89
Average	4.76	6.05	5.30	4.76	4.07

NOTE: * 1—not very important; 7—very important.

SOURCE: LRS 2002.

3.3.6 Conclusion

Local political leaders in Estonia seem to possess basic democratic values and attitudes. They strongly believe that everyone must have the same democratic rights and that people's opinions must be heard in the decision-making process. Local representatives' attitudes reflect the both the general state of public opinion and the public ratings given to the political parties. Also, councilors that have been in power for a longer period have become more critical toward political institutions.

Ideologically, there is a slight inclination toward right-wing views, although deeper analyses revealed many contradictions and misconceptions in the views of local representatives. They identify themselves first and foremost as representatives of local residents and are willing to bring the citizens' voice into LG decisions; at the same time, they find the mayor and top civil servants to be the most influential bodies in local politics. The majority of councilors pay a lot of attention to the views of residents, but do not see any strong reason to deal with the special interests of professional, ethnic, or religious groups. Thus, local representatives' perception of democracy is rather idealistic and not based on competing interests, although they recognize that the actual decision-making process often does not reflect this popular ideal.

3.4 Responsiveness

How and to what extent are LG decisions influenced by external actors? That is, to what extent do external actors create supplementary political input to influence local authorities to heed their needs and interests? In addressing this question we will first look at the issue of participation, i.e., how institutional actors involve residents and their organizations in the decision-making process. Secondly, we will analyze how well the provision of services by local authorities has met local community members' expectations and how the local residents assess these efforts.

3.4.1 Policy Input from External Constituents

Local councilors' and officials' attitudes towards the participation of external groups were rather favorable (Table 3.65). Only 3.3% of officials did not accept the feasibility of the participation of civil society organizations in decision-making.

Table 3.65
Local Councilors' Attitudes towards the Participation
of External Actors (7-Point Scale)

Intensity	Size of Local Community				Total
	Less than 1,000	1,000–1,999	2,000–4,999	5,000 and More	
Intensity of support for the participation of external actors	4.92	5.24	4.78	4.86	4.30

SOURCE: LRS 2002.

But their assessment of residents' and other constituents' influence on LG decisions and policy was rather contradictory. On the one hand, they were moderately (4.4–4.5 on the seven-point scale) concerned about the passive stance of local residents in articulating their interest at the local level (Table 3.66). This concern was weaker in the largest communities (3.9), which contradicts the expectation that smaller communities are more conducive to self-government because authorities are closer to residents.

On the other hand, there was equal concern in larger communities about external pressures from residents concerning user fees and general expectations about services. How can this apparent dualism in the interpretation of policy input from the local community be explained? One explanation would be that some local officials have more

authoritarian attitudes. In our survey, all type of concerns about pressure correlated significantly (from 323. to 400.), and among them was a concern about pressure from local civic organizations. No correlation was observed, however, between concern about passivity and the size of the municipality. Only in the case of pressure from civic organizations was a weak correlation identified: the larger the community the more officials consider this pressure to be a problem. That is, some local officials consider these pressures not as supplementary input, but as a disturbing factor in organizing local life.

The other explanation would be that officials accept one type of input, but do not approve of the other. In the case of pressure from organized groups, only the pressure of business in the largest communities was considered a problem. But in the case of residents' unorganized pressure—especially to limit user fees—concern became rather deep in the larger communities. It is difficult to believe that local officials consider unorganized pressure as a more significant challenge to their decision-making authority than organized pressure. Obviously, the latter would be a much more effective means of exerting influence and also of challenging authority in the case of conflict. Presumably, officials were concerned with the passive dissatisfaction of residents with local service quality and prices. This could be interpreted as a concern about general dissatisfaction that is not well channeled and negotiated and, thus, that could decrease the legitimacy of local authorities.

Table 3.66

The Impact of External Constituents on Local Government Decisions
and the Decision-making Process (7-Point Scale*)

Intensity of Problems of Local Democracy	Size of Local Community				Total
	Less than 1,000	1,000–1,999	2,000–4,999	5,000 and More	
Local citizens are too passive	4.48	4.43	4.46	3.98	4.35
Local inhabitants insist on limiting user charges	3.66	3.81	4.02	4.31	3.96
Local inhabitants have too high expectations concerning services	3.48	3.41	3.39	3.83	3.50
Pressures from local enterprises	2.90	2.94	2.99	3.46	3.05
Pressures from local civil organizations	1.93	2.64	3.14	3.17	2.84

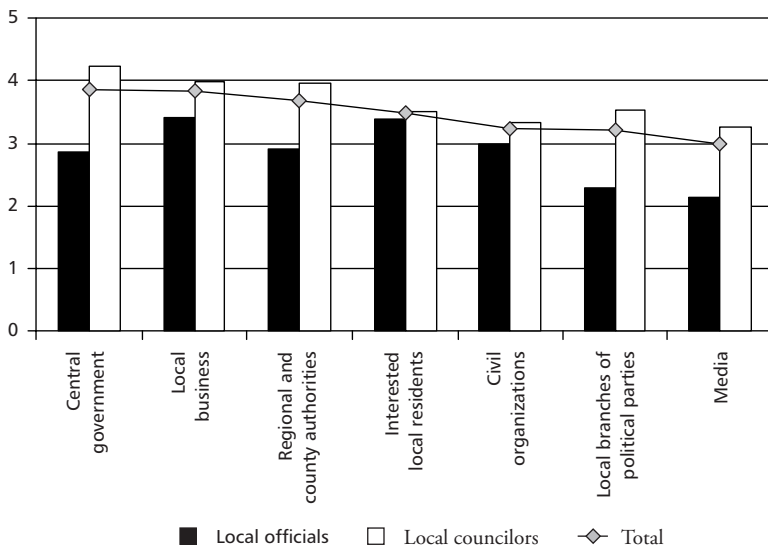
NOTE: * 1—not important at all; 7—very important.

SOURCE: LGS 2002.

In our survey, both local councilors and officials assessed the impact of external actors on the decisions of local authorities (Figure 3.28). Their assessments were different, to some extent. If we assume that the assessments mirrored the actual intensity of impacts rather than subjective preferences, then these two institutions have somewhat different channels of input. Firstly, the councilors felt (more than the officials) that the central and regional authorities, as well as business, had a relatively greater impact on decisions, especially in comparison with other local institutions such as the mayor or the civil service. Secondly, they felt that the impact of media and (naturally) the political branches of parties was important, whereas those channels were not a significant channel of impact for the officials. That is, local councilors are more open to the influence of external actors and institutions than local officials and we would expect that they feel more responsive to those actors or institutions than local officials do.

Figure 3.28

The Impact of External Actors on Local Government Decisions (7-Point Scale*)



NOTE: * 1—very low impact; 7—very high impact.

SOURCE: LSG 2002, LRS 2002.

3.4.2 Variables of Responsiveness of Local Authorities

To determine whether local inhabitants are satisfied with the services that LG or local organizations provide, we need to establish what kind of variables could influence the

level of satisfaction. Since our own survey did not focus on the issue of responsiveness, we rely here on the study, "Local Governance and Citizens' Initiatives," carried out in Estonia in 2000.

In general, more residents were satisfied (40%) than not satisfied (27%) with LG service delivery, although a substantial minority (33%) did not take a clear position. Previously in this chapter, we noted that local authorities focus on the tasks that they have the ability to deal with and that this attention is not dependent on the urgency of these problems in the local community. This discrepancy in attention to issues (Parsons 1995) is also mirrored in citizens' satisfaction with various kinds of services provided at the local level (Table 3.66). Services that were provided by local authorities were assessed positively, and this even applied to recreation, although authorities in rural areas and small towns cannot provide a similar quality of recreation as large towns and cities can. Local residents were much less satisfied with services that are regional by definition or that are too complex to be delivered at the municipal level. Thus, the problem with division of competence was quite clearly mirrored in the satisfaction of local residents with those services.

In response to the question of why local authorities could not offer services at an appropriate level, 27% answered that civil servants did not work well and 25% that they do not have enough capacity to do their work better. Another 18% thought that civil servants were so overloaded with work that they did not have enough time and capacity to do better. Answers to another question indicated that residents who were more satisfied with the local authorities in general were also more satisfied with the quantity of services LG provides.

Other questions in this survey enabled a more precise evaluation of the independent variables of satisfaction and dissatisfaction. One of them was the frequency of contacts with local authorities (Table 3.68). In the course of one year, 32% of local residents did not have any contact with local authorities and 43% had only one or two contacts; 15% had three to five contacts and 10% had six or more. In smaller communities (parishes and small towns), 40% and 30% of residents respectively had more frequent contacts (more than three times) with local authorities. Those who had more contact with local authorities assessed the quality of their service delivery more critically.

Table 3.67
Local Residents' Satisfaction with Public Service Delivery by Department

Public Service	Mean on 4-Point Scale	Assessment		Balance [%]
		Satisfied [%]	Not Satisfied [%]	
Libraries, public internet connection	3.52	54	12	+42
Medical aid and health care	3.45	64	22	+42
Education, school management	3.35	50	16	+34
Information about local government decisions	3.05	40	31	+9
Recreational opportunities	2.97	39	37	+2
Social aid (social work, financial aid)	2.94	29	29	0
Counseling of private entrepreneurs	2.82	9	19	-10
Organization of legal aid	2.82	14	23	-9
Information about plans to revise legislation in parliament or government	2.81	27	36	-9
Adult training (i.e., unemployment prevention)	2,78	14	27	-13
Roads and traffic organization	2.81	37	49	-12
Public safety	2.69	32	49	-17

SOURCE: Local Governance and Citizens' Initiatives 2000.

Table 3.68
Local Residents' Satisfaction with the Extent of Services Provided by Local Government [%]

Assessment of Extent of Services	Assessment	
	Satisfied with LG	Not satisfied with LG
Too few services	26.0	44.0
Enough services	38.0	16.0
Some services unnecessary	6.0	9.0

SOURCE: Local Governance and Citizens' Initiatives 2000.

Table 3.69
Assessment of Quality of Work of Authorities
by Frequency of Residents' Contact [%]

Frequency with Which Local Resident Met Unsatisfactory Service		Frequency of Local Residents' Contact with Authorities			Total
		No Contact	One or Two Contacts	Three and More Contacts	
Government service	Never	60	34	23	39
	Rarely	27	45	44	39
	Frequently	12	21	33	21
Local authorities	Never	63	29	23	—
	Rarely	24	47	46	40
	Frequent	9	23	31	20

SOURCE: Local Government and Citizens' Initiatives 2000.

We cannot ascertain from this survey whether some inhabitants contact public authorities more frequently because they are dissatisfied with the services, or the dissatisfaction develops as the frequency of contacts increases. However, local service delivery looks more attractive from a distance, i.e., residents who have no contacts with local authorities give a more positive assessment of service delivery quality than those who deal frequently with local authorities.

One more tendency was observed in the surveys that might be used as an explanatory variable. Local residents' opinions on the services provided by local government and its organizations, on the one hand, and state field offices at the local and regional level, on the other hand, did not differ much. Their opinions about problems and services that are within the competence of the regional government may influence their overall assessment of local authorities. This would then influence the satisfaction of citizens and their assessment of the responsiveness of local authorities.

3.4.3 Conclusion

Our study was not intended to provide conclusive judgments about the extent of responsiveness of Estonian local authorities, but rather to analyze the variables that would determine the opinion of citizens on that complex issue. Firstly, we identified that the current of division of competence in the framework of the autonomous model adopted in Estonia has created considerable obstacles to developing a clear sense of responsive LG among the inhabitants. Nevertheless, residents offered a very positive assessment

of those services that local authorities are capable of delivering. But satisfaction with local government services tends to depend on overall satisfaction with local authorities, which could be influenced in turn by other variables than the responsive actions of local authorities. That is, those other variables would be, and in fact are, out of reach of LG powers. Thus, opinions about responsiveness can not be measured simply as the level of satisfaction of local inhabitants with the services provided. Responsiveness is a more systemic trait and indicators for measuring responsiveness must be more complex.

4. LOCAL CIVIL SOCIETY

4.1 Media and Local Government

4.1.1 The Impact of the Post-communist Transition on the Media

Access to information, membership in civil associations, shared discursive fields, etc., are complementary structural conditions that together form the backbone of modern and postmodern democratic self-government. In Estonia, the development of the media and public space has post-communist and postcolonial features. For example, as in all post-communist countries, the centrally controlled media system has ceased to exist. In the postcolonial period the imperial language typically loses its hegemony. In Estonia, however, the Russian language media was never hegemonic despite its higher status. National media (print and electronic) existed in the Estonian language, although it generated little interest among non-Estonians (one-third of the population has only a limited command of the Estonian language). So the model that existed in the Soviet era, which operated only in the two main languages, continues to operate, but with the language positions reversed in terms of status.

The main media trends in post-communist Estonia reproduced many of the features shared by the post-communist transition in CEE (Jakuboviz 1997). Media development in Estonia from 1995 to 2000 included the following features:

1. Continued diversification and fragmentation of the media system, the launching of new magazines, the establishment of new radio and TV channels, and growth in the duration of broadcasts; and
2. Privatization and commercialization of the media.

There was a lot of confusion around the privatization of local Estonian newspapers. Some were privatized quite soon after the final collapse of the Soviet regime, and the rest were given by the state to the local governments. From 1992 to 1996, the municipalities

privatized all newspapers. All but one of the national newspapers and many local papers were originally privatized to their editorial staff members. A feature of this process that was typical to Estonia was that neither banks nor large industrial corporations participated in the privatization and are not featured among newspaper owners. The original owners of the local press—the municipalities until the middle of the 1990s—had a habit of meddling very actively in the newspapers' activities. Thus, some municipalities maintained control over the local media, although not for long. In some cases a new editor-in-chief was appointed amongst the local power-elites (Saks 2002, 192). In the second half of the 1990s, privatized newspapers were usually sold (for economic reasons) to business-oriented owners, usually large media enterprises, with the participation of foreign capital. Some big local newspapers were also privatized to foreigners (Saks 2002, 199). As result, a basic principle in the operation of regional and local media became profit-making.

Compared to the printed media, the privatization of electronic media began later, in 1991. By the beginning of 2001, thirty-three radio programs functioned in Estonia. National Estonian Radio had four programs and various other licensed legal entities broadcasted twenty-nine programs. With respect to coverage, these can be divided into six national, fifteen regional, and twelve local programs. The local stations are mainly situated in Tallinn and Tartu. Only some regions (Saaremaa, Virumaa, and Lõuna-Eesti) or smaller towns (Saaremaa, Pärnu, Rakvere, Põlva, Põltsmaa and Viljandi) have their own stations, which constitute a "chain." Three commercial TV stations, a growing network of cable services, and the rapid penetration of society by the Internet transformed the Estonian media landscape at the end of the 1990s from a print-dominated one into the electronic age.

Between 1990 and 1999, the number of newspapers increased by 38% and the number of magazines by 33%. Instead of two programs on state radio in 1990, 27 were broadcasted in 2000 (four public and 23 private); instead of one state television station, there were four nationwide stations (one public and three commercial) (Lauristin and Vihalemm 2002, 37).

Continued commercialization has changed the media into a market-driven industry and there has been a steady increase in television viewing. The increased competition in the advertising market has resulted in a concentration of the media. The importance of the entertainment function of the media has increased significantly, along with the increasing role of the electronic media. The average television viewing time was two hours per day in 1985, three hours in January 1994, and four hours forty minutes in January 2000 (data from Baltic Media Facts). Despite concentration, there has been no large reduction in the number of media channels. Diversification of the Estonian media, especially in the area of magazines, looks likely to continue in the years to come, with both concentration and diversification taking place simultaneously.

The impact of the post-communist transition on the media was a two-fold process. Along with democratization, it opened access to the modern technologies of print and

electronic media. At the same time, the national public space was becoming deeply fragmented—commercialization, regionalization, and ethnic differentiation of the media contributed to the disintegration of society. The collapse of Soviet-type political structures and production units, the disbanding of collective farms, poor conditions of traffic, etc., also greatly affected the public sphere in Estonia. The new social subjects (classes, minorities, and territorial units) were not equally successful in building supportive “organs.” In terms of electronic public space, ethnocultural enclaves of Russophones emerged. On average, 80% of Russian speakers watch Russian television channels (broadcast from Russia) each day and only 25% of them have some interest in Estonian television on a daily basis (Jakobson 2002). As a result, Russophone Estonians are much better informed about events in Russia than those in their resident country.

New communication technologies are rapidly pervading the media and everyday life in Estonia due to the computerization of schools and workplaces and an affiliation with the global networks. By December 1999, sixteen electronic news services were functioning in Estonia (among them four portals in Estonian); 31 Estonian newspapers and 50 magazines were distributing electronic versions of their publications, and seven radio stations functioned in the real-time regime of the Internet (Baltic Media Book 2000, 200-206). In the autumn of 2000, around 35% of Estonia’s adult population—among them 40% of Estonian and 21% of Russian speakers—used the Internet (Jakobson 2002, 20). There were 238 Internet-connected hosts per 10,000 inhabitants, the same level as France and Germany. Computerized workplaces were the norm for 95% of public employees and 19% of the population owned a computer at home, of which 53% had an Internet connection. By the end of 2003, 47% of Estonian residents used the Internet.

Data on the regionalization of Internet use are scarce, but a much lower proportion of Russian-speakers among Internet users shows that residents of the north-eastern region have much more limited access to the Internet. Also, libraries in the regions inhabited mainly by non-Estonians have fewer public Internet stations at their disposal. Estonian media researchers are quite alarmed about the impact of commercialization and the social polarization in society. There has been a visible impact on the quality and structure of the media, on the social polarization of audiences, and on the cultural polarization of media contents. The commercial interests of a privatized media have become separated from the public interest to such a degree that it has prevented the fair representation of all publicly relevant issues in the Estonian media (Lauristin and Vihalemm 2002, 37).

There is not much data available about the regionalization of Estonia in terms of access to media and there is also little information about the state of media systems—the structuring of local, regional, and national media (which would provide important background to our study). Along with marketization and the emergence of “two Estonias” (poor and “filthy rich”), media consumption has also been restructured and reduced. The average number of regularly read newspapers has dropped over the decade, as have press

subscriptions. Nevertheless, media consumption in Estonia is high. The average number of newspapers regularly read by Estonians in 1999 was 3.1 and the average number of subscriptions was 1.9 per individual. An average non-Estonian consumes much less media: a non-Estonian resident reads 0.6 newspapers and subscribes to 0.3 newspapers, while 3% of Estonians and 12% of non-Estonians do not read any newspapers at all (*ibid.*, 41). The share of non-Estonians who read one copy is approximately twice as high (around 80%) as the share of Estonians who do (*ibid.*, 283). There are economic and social reasons that limit the access of Russians to print media and cause them to prioritize electronic media.

The consumption of electronic media has gone up. The average Estonian watches 3.7 television channels (non-Estonians watch 4.1 channels) and listens to 3.2 radio stations (non-Estonians tune into three stations). Considering the significant role of local print media as a source of information for non-Estonians and their attachment to Russian radio and television, there are good grounds for saying that non-Estonians are much more isolated from the regional (county) and local (parish) level public sphere, as far as it operates in the media.

There is no exact data about the consumption of regional (county) media. But it is symptomatic that the circulation of non-daily newspapers has gone down more rapidly than that of dailies (from 709,000 copies in 1990 to 231,000 copies in 2000). This type of newspaper primarily represents regional and local media, which got a new push at the beginning of the 1990s, when local governments were established. All Estonian counties (except Järvamaa and Põlvamaa) now have their own newspapers. But only 25 to 30 of the smaller areas—regional towns and parishes—have their own newspapers or newsletters. Most of these newspapers cover parishes in the northern part of Estonia and in some cases they are established in historical-cultural centers (the parishes of Tori, Suure-Jaani, and Alatskivi), which are situated in the central or western regions. There is no report on parish-level newspapers in southern Estonia. The huge economic gap between the north and south, the polarization of rural parishes and towns in terms of economic welfare, and the fact that north-eastern Estonia is populated by non-Estonians are some of the reasons why Estonia is heavily segmented in terms of access to and consumption of printed media. Economic conditions have a cumulative effect on the spreading of local media, since advertising is an essential part of the budget of newspapers. Tallinn, the bigger cities like Tartu, and the northern coast around Tallinn constitute the most privileged areas in the sense that the national and local press overlap there.

The data show that only 33% of non-Estonians regularly read national (Estonian) Russian language dailies and 56% read them as seldom as once per week (*ibid.*, 283). While 70% of Estonians regularly read a national daily, for non-Estonians the figure is half of that. Compared to the high percentage (73%) of regular readers of local newspapers among Estonians—i.e., regional papers from the county, a bigger town, or a local parish paper—among non-Estonians the share is 43% of residents. According to another study,

the figure was even lower—31% (*ibid.*, 280). The share of non-Estonians among readers of all types of printed regional, local, and national media is many times lower than their share in the population. There are two explanations for this fact: the scarce economic resources of Russophone people (Estonians are relatively better off) and the more developed cultural tradition of Estonians to consume print media. The segmentation of Estonian consumers of media in terms of ethnicity reflects regional segmentation as well, in north-eastern Estonia and in the ethnically defined regions of Tallinn (Lasnamäe).

4.1.2 Local Officials (Councilors and Civil Servants) and Media

According to our study, the main owners of the local and regional print media are LG (38%) and business (34%). The share of nonprofit associations among owners is very small and they have some role as owners only in the smaller municipalities. Local government plays a role at the parish and small city level. The role of LG as (co)sponsor of the print media was seen as essential by one-third of respondents and is important in the medium sized municipalities. Business was seen as the most important player in the bigger municipalities, and also as the supplier of advertisements, commercials, etc. From this perspective, the fact that local media are not institutionalized at the primary level—first of all in the parishes—tells us something about the low economic capacity of municipalities.

The overall impact of media on the activities of LG is relatively small in medium sized municipalities and not very visible in smaller ones (at the rural parish level). Only churches and trade unions have less influence: the principal media were seen as an influential institution by 17.5% of officials, local party branches by 15.1%, and civil associations by 26%. This explains why public officials identified journalists and civic associations last among the local government partners that should participate in discussions on the budget. Only 10% of them considered it important to involve journalists in the discussions. This number was higher in the bigger municipalities and townships (with 10,000 to 49,999 inhabitants), where one-third of respondents considered it important to involve journalists. Although journalists were discounted as main actors, 28.6% of officials still reported that they have regular contacts with them. In the medium sized and bigger municipalities, about half of the respondents reported regular contact with journalists for the purpose of informing them about the activities of the local government. But only 7.6% of local governments have a public servant whose main task is public relations. In 25% of the municipalities, the task of keeping journalists informed is one among a number of other duties.

Our study showed that municipalities are generally too small to pay special attention to contacts with the media. But on the other side, journalists and the local media in general, in so far as they exist, are not very devoted to local matters.

The local government survey shows that, in almost all municipalities, the main source of printed information on local matters is newspapers that are published two to five times a week or weeklies. In other words, the delivery of information at the municipal level is dependent on periodicals, which are at best produced mainly in the county centers. In towns with a population of 100,000 and more inhabitants (Tallinn), dailies were also the most important source of information on local matters. In Tallinn and Tartu, the dailies regularly publish special pages delivered only to the subscribers of the region. In Tallinn, which was divided into independent municipalities, every locality has a newsletter.

The civil servants who responded to the survey estimated that about 55% of residents read newspapers, which they also quite regularly perceived to be important. They were even more optimistic with respect to the reading habits of the residents of the bigger towns (with between 10,000 and 49,999 residents) and expected the percentage of regular newspaper readers to be as high as about 80% of residents. These estimations about people's attachment to the media fit with the general reports of scholars working in media studies (Vihalemm, 2002, 283).

In the larger municipalities, regional and national media often overlap, which might explain why the national media scored highest. Local newspapers are the most popular source of information in municipalities with 5,000 to 9,999 residents (i.e., residents of the smaller towns enjoy their county newspaper (Table 3.70). Many of the local newspapers that have assumed the role of main provider of information operate in the medium sized towns. Regional newspapers play this role in the smaller places and in rural municipalities that do not have the resources to publish their own papers. In the biggest municipalities (Tallinn, Tartu), the main source of information is a national newspaper. In the smallest municipalities, which seldom have a regular local newspaper, newsletters of various kinds appear to be an important source of information. Irregular newsletters of this sort are delivered in many parishes. Paradoxically, a fairly large share of residents of the smallest municipalities perceives the national newspapers as a source of information.

As expected, the "second" source of information does not cover the information needs very well. However, there is not an observable dominance of the first "source" in terms of quality of information—information about alternative proposals, presentation of arguments, etc. The essential characteristics of good journalism—to facilitate dialogue and support the effective participation of citizens by reporting in depth on debated issues—are less evident in the smaller municipalities. There is no clear division of functions in this respect, or hierarchy of printed sources according to their content or orientation.

Table 3.70

Share of Local, Regional, and National Print Media in Media Consumption [%]

Size of Local Community	Local Newspaper	Regional Newspaper	National Newspaper
0–1,000	29.2	58.3	12.5
1,000–1,999	36.2	58.1	5.7
2,000–4,999	35.5	61.3	3.2
5,000–9,999	52.5	40.5	2.5
10,000–49,999	36.4	54.5	9.1
100,000 and more	16.7	16.7	66.7
Total	37.3	56.3	6.5

SOURCE: LGS 2002.

As for coverage of the issues, the study shows (as would be expected) that the smaller the self-government unit the more problematic the coverage of its problems in the printed media (Table 3.71). Sessions of the LG of the smaller municipalities are often not reported at all. Interviews are the most popular (and least focused) journalistic genre for dealing with LG leaders, and the issue of journalist standards, which frames the access to the top local leaders, is not very transparent. There is little information about the interview process (who initiates the interview, how professional the journalist is, etc.). But the personalized approach clearly puts leaders in small communities in a privileged position and allows the political opposition to be relegated to the role of observer.

Supplying information about alternative proposals and the content of debates is extremely important for maintaining a balanced political process and democratic public discourse. Rationality and transparency of the political process, which are fundamental attributes of deliberative democracy and the modern public sphere, have not yet become common, although they are more prevalent in bigger administrative units.

In the terms of the promotion of local democracy, it is the medium sized municipalities that are in the most favorable position. This is because these small townships and centers of counties (with between 5,000 and 9,999 residents) have a relatively well developed network of civil associations and also relatively “thick” media coverage (Kuressaare, Põlva, Jõgeva, etc.).

Nevertheless, the respondents to the survey showed very little difference (by size of municipality) in their attitudes to the print media. In municipalities with 0–9,999, 2000–4999, and 5,000–9999 residents respectively, 37%, 32.9%, and 37.5% of civil servants are of the view that local life has been covered relatively well in the media (Table 3.71). Only 10–15% complained about serious flaws in coverage by the print media.

Table 3.71
Coverage of the Activities of Local Government in the Print Media [%]

Size of Local Community	Reports on LG Sessions		Information about Alternative Proposals		Information on Arguments Presented		Interviews with Leaders	
	I	II	I	II	I	II	I	II
0–1,000	61.5	60.0	29.6	20.5	46.2	35.5	92.3	85.5
1,000–1,999	82.9	66.3	40.8	37.6	37.9	44.0	94.3	82.8
2,000–4,999	88.2	67.1	59.3	29.0	68.5	49.4	91.3	76.5
5,000–9,999	97.5	67.5	77.7	48.7	80.0	51.3	95.0	82.1
10,000–49,999	100.0	37.5	54.5	22.2	72.2	—	100.0	55.6
100,000 and more	100.0	83.3	83.3	66.7	66.8	60.0	100.0	100.0
Total	85.8	65.7	52.3	37.5	56.8	44.9	93.6	80.2

SOURCE: LGS 2002.

Table 3.72
Evaluation of Coverage of Local Issues
in the Print Media by Size of Municipality [%]

Size of Local Community	Assessment of Coverage by Local Officials			
	Dissatisfied	Visible Deficit in Coverage	Enough Coverage	Hard to Say
0–1,000	15.6	40.0	30.5	10.0
1,000–1,999	5.4	33.3	46.2	15.1
2,000–4,999	13.4	36.6	32.9	17.1
5,000–9,999	10.0	40.0	37.5	12.5
10,000–49,999	26.8	28.6	14.3	28.6
100,000 and more	—	16.7	66.7	16.7
Total	10.1	35.5	39.1	15.3

SOURCE: LGS 2002.

Civil servants in the medium sized and bigger municipalities are less satisfied with coverage in the print media. This is an interesting result, because the media of the larger municipalities were perceived as more adequate and qualified both in terms of the supply of information and the quality of reporting (description of alternatives, arguments,

etc.). Possible explanations for this apparent contradiction are twofold: the problems that emerge in the bigger municipalities are more complex and the local officials are more professional and demanding in their expectations of the media's role in this more sophisticated environment.

Compared to the complicated structure of the print media system, the electronic media operates mainly on the regional and national level. Of all consumed media assessed by the respondents as having primary importance, the local level electronic media made up 44.9% and the national level media 53.5%.

Media that are oriented more to the national level were rated second in importance by local officials. In very rare instances, radio stations are owned by LG or civil society structures. However, the majority of stations belong to private citizens, corporations, or are sponsored to a degree by the county government. According to the respondents, the level of financial contribution or support given to the electronic media by LG is very small (around 2% enjoy significant or essential LG support). Civil servants in medium sized municipalities considered such support to be essential.

Fewer than half (42%) of the residents are expected to be regular audiences of radio and television broadcasts. The bigger the municipality, the bigger is the expected share of regular listeners and viewers of radio and television stations. The amount of attention paid to local matters in the electronic media is in general very low and primarily concerns smaller municipalities. In terms of the frequency of reporting by electronic media on local matters, there is a large gap between the biggest and the other municipalities. While the events in the smaller ones receive attention once or twice a month on average, the affairs of the biggest municipalities are reported about every week or even more frequently (general matters rather than matters specifically related to LG).

Municipalities are more polarized by the coverage they receive on issues in the electronic media than in the print media. Radio stations, for example, give much less attention to local or regional matters than local newspapers do. The sessions of local councils are usually not reviewed or translated except in the largest municipalities (Table 3.72). Even reporting on decisions on local matters is very irregular in smaller communities. One trend that can be observed with respect to the print media is that there is a higher probability in larger municipalities that matters will be reported in detail (alternative proposals are presented, arguments are included, etc.). The quality of radio reporting on local matters, according to the reports of local officials, is generally very low or consists merely of formal announcements. Only in the bigger municipalities are real political debates reflected and the various positions presented.

The electronic media appear to play a very limited role in informing people about important issues at the local level. As Table 3.72 shows, municipalities of all sizes have a rather large share civil servants who are not very content with the electronic media in this respect, leading us to conclude that, compared to the print media, the contribution of electronic media to community-building is rather limited.

Table 3.73
Coverage of Local Government Activities
in the Electronic Media by Size of Municipality [%]

Size of Local Community	Type of Reporting				
	Reports and Reviews on Sessions	Information about Decisions	Information on the Different Proposals	Information on Arguments Presented	Interviews with the Leaders
0–1,000	14.3	28.6	14.3	14.3	66.7
1,000–1,999	14.5	51.6	11.3	25.4	66.7
2,000–4,999	5.8	44.9	13.0	26.5	70.5
5,000–9,999	19.4	61.3	32.3	35.5	75.5
10,000–49,999	—	80.0	50.0	30.0	57.1
On average	13.2	51.6	18.8	28.4	74.4

SOURCE: LGS 2002.

Table 3.74
Evaluation of the Coverage of Local Issues by the Electronic Media [%]

Size of Local Community	Assessment of Coverage by Local Officials							
	Dissatisfied		Visible Deficit in Coverage		Enough Coverage		Hard to Say	
0–1,000	50.0	44.4	42.9	55.6	7.1	—	—	—
1,000–1,999	21.5	20.0	41.5	48.0	24.6	24.0	12.3	8.0
2,000–4,999	20.3	23.3	56.5	60.5	14.5	7.0	8.7	9.3
5,000–9,999	41.9	35.0	38.7	45.0	12.9	15.0	6.5	5.0
10,000–49,999	20.0	57.1	50.0	28.6	20.0	—	10.0	14.3
100,000 and more	—	—	—	—	100	100	—	—
On average	25.9	27.8	19.2	50.0	19.2	14.8	8.8	7.4

SOURCE: LGS 2002.

Comparing the role of the electronic and print media from the perspective of supporting the public sphere at the level of local government, we can see that these institutions had very different starting points in the post-Soviet environment and developed in different directions. At the same time, in recent years they have become quite similar in terms of their attention to local matters. During the Soviet occupation,

Estonia maintained a rich tradition of local media that supported people's reading habits, in spite of indoctrination. In 1986, twelve local newspapers (one in each county) were distributed. On average, around 285 copies of local newspapers per 1,000 residents were distributed. Differences between the counties in terms of distribution and popularity of the local media were visible but not very dramatic (between 192 and 380 copies per 1,000 inhabitants) (Lauristin et al. 1987, 96). With *perestroika* came a new push for democratization and the emergence of genuine interest in the development of local media. Commercialization of local print media combined with economic depression had a devastating effect on the printing of the local newspapers in many regions (especially in rural areas). Over the last decade, the size of distribution and the role of newspapers have significantly decreased all over the country.

At the same time, the collapse of the Soviet regime opened the access to modern technology and also opened a "space" for electronic broadcasting with the development of regional and local radio. A common feature of both types of media today is their business ownership (largely Nordic), which defines the logic of development. Both print and electronic media operate today as profit-oriented institutions that are almost completely independent of the local government. Local matters are not of much interest to them.

4.1.3 Conclusion

The main conclusions that can be drawn from our observations on media and LG relations are the following:

1. Privatized print media primarily serve the interests of the owners—the business people. The scope of the public electronic media (television) operating on the national level mostly concerns the regions around Tallinn;
2. In terms of ownership and economic support, the impact of civil associations and LG on media coverage is very limited. Because of certain instrumental factors, the print media are better positioned for cooperation with the LG;
3. The development of the regional and local public sphere is very sensitive to the number of residents in the area, unlike the logic behind the growth of civil structures. The smaller the parish or village the less capacity it has to create its own media and the less visible it is in the local or regional media;
4. Information on municipal affairs is unbalanced in the sense of supplying adequate information on the alternatives discussed and the arguments presented;
5. One would expect that, because of the complicated economic situation, the ethnic composition of regions, etc., there would be regional differences in the development of the modern public sphere (i.e., deliberative democracy). However, the data supplied by the current study did not supply enough material for a detailed analysis; and

6. The resources of most local governments are too limited for maintaining contact with the media. Only a small share of local governments has a person whose main job is to handle media contacts.

From a very general perspective, the available data suggest that the media are capable of fulfilling their *informative* function. Despite the fairly weak media coverage of local matters in institutional terms (e.g., the number of the local newspapers operating at the parish level is relatively small), there is no dramatic democratic deficit revealed in terms of complaints. This can be explained by the relatively minor role of the smaller local governments, which keeps public expectations about coverage related to their activities low. Also, there are alternative, non-institutionalized networks that can fill the information gap.

However, there are not much data about the other functions of local media (mobilization, education, local identity-building, etc.). The main problems do not seem to be related so much to disinterest or ignorance but to structural and institutional problems. The very diffuse structure of local governments does not fit well with the logic of the media field (the media system), which requires an auditory scope to make the operation of any channel or level technically reasonable. One response to the deficit is the development of cooperation among smaller local governments, which will also facilitate the restructuring (unifying) of local governments. Progress in this area will support better institutionalization of local government relations with the media, by making possible the designation of staff whose main functions are related to contacts with the press.

4.2 Local Civil Society Organizations

4.2.1 The Legal Status of Civic Organizations

Civil society as a sphere independent from the state was profoundly damaged during the Soviet occupation, more so than occurred in those states that became satellites of the Soviet Union. It made the restoration of civil society, as a substantial part of the social organization of the community, a much more demanding task in the annexed Baltic States than it was in the Central and East European countries.

During the last decade there have been serious debates on the nature of civil society in Estonia (Laius 2002; Haamer 2003). Scholars who are interested in expanding the role of local governments have made attempts to utilize ideas related to Estonia's historical "cooperative societies movement." These ideas are inspired by the "social economy model" as a comprehensive model of community building" (Ginter 1996). According to this

understanding, profit and nonprofit associations comprise a common “social sphere” of nongovernmental civic activism, which is able to face the pressure of market forces (monopolies) and to cooperate effectively with the state (Leetsaar 2002).

A minimal legal basis for the emergence of a genuine civil society (autonomous from the CPSU) was already established before the restoration of national independence in the years between 1988 and 1991. But the restoration of the national state provided a foundation for the development of a modern legal system (Kõve 1996). Today, a solid legal framework for civil society organizations (CSOs) has been established. There have been two main laws dealing with CSOs in Estonia since 1996: the Nonprofit Associations Act and the Foundations Act. In addition, there are separate laws for political parties, trade unions, churches and religious congregations, housing associations, and nonprofit organizations founded by the state. Nonprofit associations can be founded by any group consisting of at least two people; for foundations only one person is required. The legislation does not set limits on the scope of activities of CSOs. The accounting system (for civil associations) which is mainly used in Estonia today and which serves as a starting point for the collection of statistics originates in the demands of the System of National Accounts (SNA) and the European System of Accounts (ESA) rather than in the cognitive needs of Estonian society. The conceptualization of civil society organizations in local academic research is closer to the structural-functionalist approach, which emphasizes the type of activity and is not as interested in the structure of financing as is typical of the SNA and the ESA (Lepp 2003). The concept of “third sector” sometimes makes it very difficult to differentiate the nonprofit-oriented sector from the profit associations (social economy).

Today three main types of organization comprise the bulk of civil society in Estonia: nonprofit associations, foundations, and nonprofit partnerships. Nonprofit partnerships are informal associations and do not have to be registered. The absence of formal legal status simplifies their operation but limits their access to resources, their cooperation with other institutions, and makes them invisible for statistical purposes. Some legal scholars believe that to require registration in order to be a “true” association is a relic of the Soviet period, which exaggerated the institution of “legal persons.” However, this is not correct. In the Soviet period, various kinds of associations lacking formal status flourished. From the perspective of our study, they are important because in the rural areas they contribute significantly to building communal ties.

The cooperative societies for apartments (condominiums) are quite a specific form of association. Their private and cooperative status makes them similar to CSOs, but with specific characteristics. The foundation of a condominium cooperative is not voluntary in the traditional sense, but is decided by a general meeting. Members of the society are owners of the real estate and the associations are designed to deal with actual living conditions and economic needs, as defined by specific regulations.

There are no official limits on the establishment of Estonian CSOs. But Estonian legislators have never been especially in favor of supporting of NGOs or of creating favorable conditions for their operation—favoring donations, training activists, etc. (Hellam and Aru 1996). National legislation is still undergoing a transformation with respect to utilizing the framework provided by local government and business. The Overview of the Status of Human Rights in Estonia (1999) indicates that the provisions and the implementation of the Nonprofit Associations Act prescribe bureaucratic and restrictive requirements on the registration and activities of CSOs that many associations are incapable of fulfilling. The NGO Sustainability Index of Estonia (2002) states that the Nonprofit Associations Act and the Foundations Act have been improved enough, since they set a clear and easy framework for operation and CSO registration in Estonia is uncomplicated (Stuart 2002). Nevertheless, it has been argued by third sector activists that registering an organization can be a difficult task for organizations going through the process for the first time, since there is not enough information available on the appropriate proceedings (Lagerspetz et al. 2003).

According to the Estonian Income Tax Act, which came into force on January 1, 2000, nonprofit associations and foundations do not pay any taxes on their income. However, they are expected to present annual income declarations to the Tax Office and to pay tax for salaries and in-kind benefits they offer to their members or workers.

A corporate body can make tax-exempt gifts and donations to public interest CSOs listed by the government in an amount not exceeding 2% of the total amount of the payments subject to social tax (except fringe benefits). The abrogation of the enterprises' income tax from January 2000 inhibits businesses from donating money to CSOs (Naaber and Haav 2000, 1). The maximum amount of tax-free donations has decreased several times, since it is now connected with the wage system instead of the percentage of income (Ojakivi 2001).

The list of CSOs acting in the public interest is reviewed twice a year. CSOs meeting the criteria can apply to be placed on it. The procedure, however, is too complicated: the only CSOs that are permitted on the list are those that offer charitable support of science, culture, education, sport, health care, social welfare, environmental protection, the cultural autonomy of a national minority, churches, congregations, or religious societies in the public interest. The list does not include CSOs acting for the mutual benefit of their members. In February 2000, the list included 840 nonprofit organizations (Siplane, Kasemets 2001).

In addition, the tax exemptions for gifts and donations do not encourage philanthropy, because the abrogation of the enterprises' income tax since January 2000 has significantly decreased the maximum amount of tax-free donations. The majority of the CSOs questioned in 2002 did not mention support from Estonian companies or individuals as an important funding source (Lagerspetz et al. 2003).

An individual has the right to deduct gifts and donations made to listed CSOs during a period of taxation, to a maximum of 5% of the taxpayer's income during that

period (after the allowed deductions). The changes in the Income Tax Act of January 2002 added one more restriction to the deductions allowed on an individual's income, which can inhibit individuals from donating to CSOs. Deductions connected with the interest on housing loans, training expenses, gifts, donations, and entrance and membership fees cannot exceed 100,000 EEK in total (Income Tax Act, Ch. 27 and Ch. 28). Also, about half of the CSOs questioned last year consider the tax exemptions as unfavorable to donors. However, it is important to add that many CSOs are badly informed about the details of the Income Tax Act.

Late in 1999, a new initiative to create more carefully articulated legal and political grounds for the development of cooperation on the local level was launched by the NGO Center and supported by the Baltic-American Partnership Program (BAPP). The document, called "The Estonian Civil Society Development Conception" (2002), was enforced as an act on December 12, 2002. This act is expected to supply an important framework for developing cooperation between the state and CSOs and has produced a legal groundwork for the promotion of dialogue.

Visible progress was expected after the launching of the local governmental reform and especially after Estonia became a member of the EU. The potential of the EU as an advocate for more intensive involvement of civil associations as partners and suppliers of financial resources was seen as significant and was expected to strengthen civil society (Raik 2002). Some initiatives have already been taken in this respect. For instance, areas in the periphery have enjoyed support from the regional programs of the EU. But there has been little interest specifically in promoting civil society. EU norms have encouraged the growth of trade unions and international cooperation has given more weight to environmental and minority associations. Unfortunately, local government reforms have not yet made enough progress to have a visible impact on community building. Attempts to promote civil society have faced deepening social polarization and alienation in Estonian society.

4.2.2 Density and Distribution of Civil Society Organizations

According to official statistics, on January 1, 2003, there were 17,774 nonprofit organizations and 502 foundations operating in Estonia. According to the other source of data, 17,632 associations and 477 foundations were registered (ESA 2003, 268–270). This relatively large number also includes 9,307 cooperative societies of apartments and condominiums, which is around 55%–60% of all registered associations. On January 1, 2003, around 7,900 associations (including religious congregations) were operating in Estonia. In terms of the distribution of associations, Estonian official statistics are quite flawed. More detailed data have been collected from different statistical and Internet sources, but they should not be perceived as exact (Table 3.75). For the last few years,

there have been around 2,000 nonprofit associations per year. But a closer look indicates that behind this label of “nonprofit association” we can find some with a very different substance (Siplane 2002).

Table 3.75

Nonprofit Associations Registered in the Business Register*
by County and Number of Residents per Association (1994–2001)

Country/Year	1993		1998		2001	
	Number of Associations	Persons per Association	Number of Associations	Persons per Association	Number of Associations	Persons per Association
Harjumaa	1,630	76	2,492	50	1,399	89
Hiiumaa	61	171	69	158	153	66
Ida-Virumaa	419	432	972	184	1,489	119
Jõgevamaa	80	501	161	237	162	230
Järvamaa	96	410	117	359	188	205
Läänemaa	116	263	264	113	470	61
Lääne-Virumaa	88	806	301	225	302	218
Põlvamaa	70	486	110	302	222	144
Pärnumaa	362	249	571	158	889	109
Raplamaa	114	342	286	132	123	303
Saaremaa	157	248	234	158	399	90
Tartumaa	626	242	841	178	1,480	106
Valgamaa	141	262	225	160	203	172
Viljandimaa	215	288	294	277	419	137
Võrumaa	66	621	140	285	344	106
Tallinn	933	431	1,734	230	4,755	83
All together	5,174	276	8,811	158	12,997	104

NOTE: The register of nonprofit associations and foundations began operations on October 1, 1996. The Central Business Register was formed in 1995 as a combined register of the business, nonprofit associations, and foundations registers. The register is maintained by the registry departments with the courts.

SOURCE: Eesti Maakonnad arvudes 1993–1998. Statistikaamet: Tallinn, 1998; Eesti Statistika 1999, Eesti Statistika, No. 6, Eesti Statistika 2002, No. 6.

All the post-socialist states have trouble collecting relevant information on civil society, which in principal is rather “fluid” compared to the much better institutionalized public and economic spheres. Estonia is no exception to this. Instead of data we have only a variety of expert sources from the different years to be compared. According to a study conducted in 1998, there were approximately 1,500 active associations at that time (Lagerspetz et al. 2003) and currently, according to data from various studies, their general number is the same or has slightly decreased. In this study, the local civil servants were in the role of expert in many important respects. This “expertise” of our civil servant respondents (LGS 2002) told us less about the objective number of operating associations in the region than about the general state of civil society. According to them, civil associations’ contact with LG, their “visibility,” and their performance are relatively or even very low. The findings indicated that the number of active and visible associations (i.e., associations mentioned by the respondents) is many times smaller than the number of registered ones (not including the cooperative societies of apartment owners). Among the 56 municipalities (of a total of 241) in which civil servants were not able to respond to the question about associations operating in their area, the respondents from 34 municipalities (i.e., 8% of the total) denied that any active civil associations operated in their community. The very low number of reported active associations (around six per municipality) shows the marginal state of civil society. There are no relevant data about the number and distribution of associations per parish, although we have such data at the county level.

The most transparent picture of the state of civil society as it operates through community-based partnerships (which remain “invisible”) can be constructed using Internet sources. Table 3.76 presents information about the most active and resourceful part of civil society.

Table 3.76
Distribution of Associations in Different Fields of Activity

Field of Activities and Approximate Number of Groups	Umbrella Associations and Superstructures
110 environmental protection societies	Estonian Green Movement (fifteen associations) http://www.roheline.ee/
230 health-support associations	Union of Estonian Hospitals, Union of Estonian Nurses, Union of Estonian Doctors
30 associations in the corporate sector	Estonian Business Association, Estonian Association of Small and Medium Business, Estonian Association of Taxpayers
280 education and training associations	Estonian Informal Adult Education Association (76 associations) Available at: http://www.ngonet.ee/vhl/ Estonian Teachers Union Available at: http://www.ngonet.ee/db/qsel?f=042&q=3
730 leisure and hobby associations	Estonian Shoot, Union of Estonian Scouts (8 associations), Union of Estonian Guides (6 associations)
290 philanthropic associations (with local clubs)	Estonian Rotary Clubs (11 clubs) Available at: http://www.rotary.ee/teataja.gif Estonian Red Cross (18 associations) Available at: http://www.redcross.ee/ Estonian Lions Clubs (40 club) Available at: http://www.lions.ee/start.htm
160 academic and research associations	Union of Estonian Lawyers Council (5 associations) Estonian Academy of Sciences (6 associations) Available at: http://www.aca.ee/
750 professional associations and trade unions	Central Union of Estonian Trade Unions (24 Central Unions) Union of Estonian Fire-fighters (36 associations)
100 student organizations	Union of Estonian Student Bodies (26 student and university associations). Available at: http://www.eyl.ee/banner1.htm
130 associations of senior citizens, war veterans, and unions of oppressed people	Network of Estonian Senior Citizens' Unions (41 associations), Union of Estonian Freedom Fighters (17 associations), Union Memento (12 associations), ER Union of Veterans' Organizations
35 political associations	
200 ethnocultural associations	Estonian Union of National Minorities (28 associations) Union of Slavonic Educational and Charitable Associations in Estonia (42 societies and 33 collectives)
450 religious associations	Estonian Council of Churches (8 Churches), Union of Ev Christian and Baptist Associations (21 associations)
65 legal order and legal defence associations	Estonian Consumers' Associations (18 associations), Estonian Neighbourhood Watch (21 associations), Children Rights Defence Union (11 associations)

SOURCE: Data collected from different statistical and Internet sources (Siplane 2002).

4.2.3 Ethnic Minority Associations

The portion of associations that focuses on ethnic minority issues is relatively small and almost all of the larger minorities residing in Estonia (sometimes only a hundred people) have their own societies. Coordinating centers or unions of ethnically-oriented associations mediate between state and the interests of the minorities. A specific feature of postcolonial Estonia is that the associations of minorities are divided into two distinct groups. One consists of associations of the dominant minority group—Russians and other Slavs. The other network of associations supports the sustainability of smaller minorities, which have their own small societies. Differences in the focus and role of associations depend on the problems the minorities face. Since the Soviet period, Russians have maintained a developed cultural institutional infrastructure of schools, theatres, etc., in their own language. This infrastructure, which was installed for “civil garrison” purposes, was artificially created by the regime and it continues to operate and is supported by the Estonian state. This specific and privileged status of the Russian minority explains why the number of their cultural and educational associations is relatively small compared to the total number of ethnic Russians—350,000. The main advocates of the cultural and social interests of the smaller ethnic minorities are cultural societies. All associations of ethnic minorities came into being after the collapse of the Soviet regime. (During the Soviet period, organizing along ethnic lines was forbidden.)

There are all together around 150 ethnic cultural societies, foundations, and clubs operating in Estonia. Associations of Russophones make up a quarter of them, and the rest cover the needs of the smaller minorities (Ukrainians, Tatars, Finns, etc.) (<http://www.meis.ee>).

According to some other research, ethnic cultural societies belong to four different federations and associations of ethnic cultural societies. For instance, 31 societies belong to the Estonian Federation of Associations of Ethnic Cultural Societies “Lüüra;” 22 are in the Association of Estonian National Minorities; 42 societies and 33 collectives belong to the Slavic Educational and Charitable Federation in Estonia; and eighteen societies are in the Round Table of Ethnic Cultural Societies of Ida-Viru County, which is an umbrella organization for the ethnic cultural societies operating in Ida-Viru County. Apart from these associations and federations, around ten other ethnic cultural societies operate in Estonia. Several ethnic groups have three or four parallel societies (Byelorussians, Koreans, Tatars, etc.) (Ruutsoo and Mätlik 2001).

The identity of Estonia’s Ukrainians is reinforced by the Tallinn congregation of the Ukrainian Greek Catholic Church, which has 300 members. Roughly one thousand Armenians are united by the Estonian Saint Gregory Congregation of the Armenian Apostolic Church (founded in 1993). Estonian Muslims—predominantly Tatars, Azerbaijanis, Kazakhs, and Uzbeks—have gathered to form a united Estonian

Islamic Congregation, with around 1,400 members. Jews (Jews as an ethnic group are defined on a religious basis) are divided into three congregations: the Estonian Jewish Congregation (with 80 families), the Tallinn Progressive Jewish Congregation (roughly twenty members), and the Narva Progressive Jewish Congregation (50 members). The Catholic Church offers cultural support largely to Poles and Lithuanians residing in Estonia and services are held in those languages in addition to Estonian (Ruutsoo and Mätlik 2000).

Ethnic associations can be found in the regions, where minorities make up a significant portion of the population. A very large majority of non-Estonians—around 98%, excluding the historical religious sect of Orthodox Old-believers—reside in urban areas, in the capital, Tallinn, in the north-eastern towns of Narva, Sillamäe, Jõhvi, Kohtla-Järve, and also in Tartu. Almost 95% of all associations and clubs of ethnic minorities and almost all non-Russian minorities are located here. Only a small number of the cultural associations and clubs of minorities (mainly Russian) are registered in Narva-Jõesuu, Pärnu, Haapsalu and Valga, Tapa, and Oru. Small cultural clubs operate in Keila, Kallaste, and Kuressaare. The center of the ethnic association movement is Tallinn, which is also the headquarters for association networks. The scope of the associations of the Russian minority is much larger, and includes choruses, sports clubs, ensembles, student and professional associations, etc.). The smaller minorities have focused their activities on restoring their native language competencies and establishing Sunday schools for the younger generation. The number of minority Sunday schools is close to 50, half of which operate in north-eastern Estonia (Smolkova 2003).

4.2.4 Density and Scope of the Activity of Associations

Many CSOs, although belonging to umbrella organizations, nonetheless have quite weak links with them in practice. Only a quarter of the CSO activists interviewed in 2001 stated that the umbrella organizations they belonged to actively encouraged membership and participation and were successful in representing the interests of their member organizations (Lagerspetz et al. 2002).

Our study focused primarily on the experience of civil servants in terms of cooperation with civil associations. Their impression indicates a real position and role for civil associations, particularly ones that are active locally and, consequently, have a closer relationship with the local government. In this respect, the study shows that there is a role for local government in the building of the local civil community.

The research supports the more general observation that the development of civil society in post-communist Estonia has been quite heavily segmented in terms of density of associations both at the regional and municipal levels (number of associations per municipality) and the level of aggregation of associations.

Table 3.77

Division of Municipalities according to the Density of Associations [%]

Number of Effective Associations per Municipality	Operating in the Municipality	Operating Beyond the Borders of the Municipality
0	14.3	35.0
1–3	42.4	47.5
4–10	34.1	15.8
11–20	6.4	0.9
21–100	2.4	0.8
100 and more	0.4	0.0

SOURCE: LGS 2002.

The largest group (42.4%) is the municipalities having only one to three active civil associations that cooperate with local government (Table 3.77). One-third of all municipalities have between four and ten effective associations. A quite special group of around twenty local governments (6.4%) has a relatively sophisticated network of associations. This type is composed mainly of smaller towns with 5,000 to 10,000 inhabitants.

The share of municipalities with a relatively high density of associations (21–100) is much smaller (2.4%) and consists of the bigger towns. The most significant density of associations is found in the towns with 10,000 or more inhabitants (Tallinn, Pärnu, Tartu, Narva, and Viljandi).

Approximately one-fifth of the total number of associations of all types is reported as active outside of the borders of the particular municipality. These data fit with the results of some other studies, according to which approximately 80% of all associations were locally focused (Lagerspetz et al. 2003).

The distribution of associations operating across a number of municipalities is very unequal, and the picture seems to be much more polarized and segmented than the distribution of municipalities according to the share of associations per municipality. First of all, only the bigger municipalities (towns) reported having a significant number (between ten and twenty) of transmunicipal associations. The shared or multilevel civil community (in term of networks of unions, umbrella associations, etc.) is to some extent developed only in the northern regions of Estonia (mainly in Harjumaa county). A majority of the municipalities are quite isolated from each other in terms of civil networks and links. The development of state administration, especially on the county level, does not correspond with the integration of Estonia as a functioning civil society or a “citizens’ Estonia.” The development of administrative structures and local government has not contributed to the development of citizens’ associations.

When Estonian civil society is mapped in terms of density and the different scope of networks of the organizations, it appears to be divided geographically into distinct territories or segments. The emptiest segments in both dimensions (the general number of associations and the share of transmunicipal associations) are located in north-eastern Estonia (Ida-Virumaa county). The explanation for this relies to some extent on the historical-cultural background of the regions. The north-eastern area is mainly populated by recent immigrants from Russia, so any historical connections to pre-war Estonian civil traditions have been almost totally broken. In southern Estonia, there are many municipalities that are fairly well integrated and civically developed, having a relatively large number of associations (e.g., Põlvamaa). But the municipalities in southern and central Estonia are isolated from the national civil community in terms of the absence of “aggregating ties”—i.e., they do not have access to the resources (organizational and financial) beyond the borders of the local community. Southern Estonia (with some exceptions like Võrumaa, because of regional policy) tends to be a kind of “archipelago of civil islands” (an archipelago of municipalities with relatively numerous but isolated associations). This phenomenon has its roots in the impact of the civil society restoration strategy in the postcolonial environment. Local municipalities had been important centers for the organization of social life by long historical tradition and also in pre-war Estonia. The emergence of a big share of local associations at that level is very much the result of the more general “project of restitution,” which attempted to restore these local civil structures (associations, unions) that had been disbanded by the Soviets in the 1940s. Quite a large portion of the associations that were organized at the parish level were run by senior citizens who had maintained an affiliation to civil society because of their experiences from the past.

Restoring civil society was an important part of the project of “restitution.” But restoration of the whole structure of sophisticated networks was too demanding in terms of resources and also the amount of time that had passed. Anti-communist mobilizations gave birth to many initiatives, but soon after national independence was regained, and especially after the disbanding of *kolkhozes*, the state-administered agrarian sector collapsed. Economic depression, out-migration of the most active people, and the poor social and organizational skills of people in the countryside had a devastating effect on civil society. The economic and social structures that are the foundation of a historical civil society—private farming, consumers unions, the cooperative movement, etc.—were only partially successful.

Another feature of the dynamic of civil society development is the obvious difference that can be seen in the regions populated mainly by Estonians. The emergence of associations in the northern, urbanized part of Estonia was more “hegemonic.” Progress here was closely related to political and economic development, which was accompanied by a struggle over control of society or the selling of services. A higher proportion of the associations operate across municipal borders; thus, they are more connected to the most

resourceful associations in Tallinn and the vicinity of Tallinn. Civil associations in this area are sponsored or have access to money delivered by the international foundations and partner associations (Lagerspetz et al. 2002). Along with the partnerships that some associations have with the local government, a lot of associations within a 50-kilometer radius of Tallinn operate as branches of international associations. Progress in this region in the development of civil society is largely top-down in character.

4.2.5 Civil Society and Access to Resources

During the last decade of transition in Estonia, a deepening polarization of communities has occurred and the cumulative effect of this is being felt. The main factors shaping the development of civil society have been the following:

1. Geographical location, with the desirable areas being closer to the northern coast and to the Tallinn metropolitan area and the less desirable being the south-eastern region, bordering on Russia;
2. Access to a developed infrastructure (railroads, highways);
3. Size of the local community, i.e., its human capital and economic capacity; and
4. Demographic structure (the share of younger and older age cohorts).

The factors that support or hinder the development of local civil society overlap to a fair degree. Associations operating in the most economically developed areas enjoy the support of local sponsors and also have better access to international donors. In addition, the human and social capital (networks) that are needed for active civil life are both available in the economically active areas. Together these factors are the effective “driver” of civil society and, from this perspective, the external actors (context) are more important than the policies exercised by local government. But some studies have shown that occasional factors such as highly energetic individuals can decisively contribute to the development of community (Raagma 1996).

Civil society in Estonia is most developed (numerous, resourceful) in the most resourceful areas, i.e., in the territories surrounding Tallinn, Harjumaa (Harju county), and Tartumaa (Tartu county). Towns and counties on the coast—Läänemaa, Saaremaa, Pärnumaa, and Hiiumaa counties—also have better access to international donors, foundations, partnerships between counties, friendship parishes, partnerships between religious congregations, etc., whose role in recovering civil society has been very important. The most marginalized areas in terms of civil society are the economically disadvantaged north-eastern region (including the towns of Narva, Sillamäe, and Maardu) and the southern region (Valgamaa, Jõgevamaa, Järvamaa, and Võrumaa counties). In the north-eastern region and especially in the bigger towns with scarce social capital

(trust, networks, and cooperation between administration and the residents) a kind of ghetto phenomenon has developed.

The other areas where the local community appears to be the most disintegrated are the small self-government units around isolated historical rural centers and parishes (Table 3.78). In these communities, the most important funding sources for activities are membership fees and local government support. It is a paradox that in the rural parishes, where salaries are many times lower than in the bigger towns, the associations are mainly self-supported through membership fees. The explanation is quite trivial: in small parishes the associations are also too small for effective cooperation with the local government and the parishes themselves have limited resources. In the towns, where associations are better organized (with more human resources and skilled workers for bookkeeping), the main partners of the associations are the local governments.

Table 3.78

Ranked Funding Sources of Civil Society Organizations by Type of Settlement

Ranking of the Funding Source	Type of Settlement			Total
	Big Towns	Small Towns	Parishes	
1.	Membership fees	Local administration	Membership fees	Membership fees
2.	Foreign funding	Membership fees	Local administration	Local administration
3.	Direct support from state	State foundation	State foundation	State foundation
4.	Estonian business	Other	Estonian business	Estonian business and foreign funding
5.	Local administration	Sales income and Estonian business income	Other	Direct support from state

SOURCE: Lagerspetz, Ruutsoo, and Rikmann (2000).

When a county center is also the regional center and is quite resourceful (e.g., the southern Estonian university town of Tartu), it has an effect on the general state of the county. Tartumaa county is relatively much better off than its neighboring counties. In Saaremaa, Hiiumaa, and Pärnumaa counties, which have active centers wide open to international contacts, tourists, and visitors looking for cheap services, the centers operate as pumps of resources. Networks of NGOs around the centers provide services to the tourists and clients from the Nordic countries, which supply important resources for the development of a third sector. For associations operating in the big towns, the local administration is the least important contributor.

The total number of reported cases of financial support to associations provided by the municipalities was 529—a relatively small number, since it amounts to two associations per municipality, on average, enjoying the financial support of local government. The most privileged municipalities in this respect were those with 1,000 to 4,999 residents, where the number per 1,000 residents was twice as high as the average. According to the other research, LGs are among the most important providers of financial support, especially in the countryside. In small parishes without local business, the development of civil associations is almost entirely dependent on fees and LG support (Lagerspetz, Rikman, and Ruutsoo 2002). The majority of civil servants (59.8%) felt that the amount of financial support supplied by officials to the civil associations was not sufficient and only 24% believed that the support was greater than the real needs. These data reveal a degree of ignorance in a certain portion of civil servants about the real needs of civil organizations and reflect the same general attitude of civil servants towards civil society that was revealed in our previous studies.

The number of CSOs providing support to the local community was not very big—36.3% of the municipalities reported some contribution of societies in terms of either money or voluntary work. Given the financial state of the associations, it can be assumed that voluntary work was the dominant form of assistance. A majority (around 70%) of the civil servants who responded felt that the support was small or negligible.

The role of civil society organizations in the provision of local services was very small. Civil society as a “third sector,” i.e., as a provider of services, is yet not developed. This explains the very small number of associations—127—that acted as contract service providers. Less than 5% of all services contracted out were provided by CSOs selected from two or more applicants.

4.2.6 Civic Culture and Civil Society

Civic culture is a complex phenomenon that can be characterized by citizens’ acceptance of the authority of the state together with a general belief in the importance of participation in civic duties. Progress made in the development of political and civic culture on the national level (transparency of procedures, accountability, etc.) provides a general context for the development of local civic culture, since an effective civic culture relies to an important degree on social capital (mutual trust and networks). Problems related to local representatives’ trust in the main national institutions has been discussed previously (see Table 3.60). Regional (county level) administrations and specialized ministries of the central administration (e.g., environmental protection, regional development, etc.) are ranked among those institutions that are generally trusted. Almost half of the members of elected bodies perceived them as trustworthy (only the president and courts were ranked higher). At the same time, the media and

political parties received low trust—23.2% and 12.3% of local representatives trusted them respectively. Thus, while progress has been made in the administrative culture in the post-Soviet environment, civil polity and civil society (the public sphere) have gained much less credit.

However, there is a relatively good outlook for the development of local level cooperation in terms of civic culture. Local administrators and the members of elected bodies in general tend to trust people or believe that they can be trusted. Local government officials' trust towards fellow politicians and citizens has been discussed previously. It was noted that 66.7% of respondents believed that most people can be trusted and that only in rare cases (5.2%) will people try to misuse trustful relations. Members of the elected bodies of the local government were less optimistic in this respect. However, this general attitude was not considered a black and white issue: almost 48% believed that abuses of trust must be discussed "case by case." Our general impression is that there is a lot of potential for the development of civic culture, in terms of trust as a resource for successful cooperation between citizens and municipal leaders. Certain indicators presented in Table 3.78 (respect for the law, mutual trust between people, the level of conflict, and the ability to cooperate) have a fundamental importance for the building of civil society.

As a general impression, it appears that relations between individuals at the local level are more friendly and cooperative than unfriendly. But a relatively low level of tension in the community does not contribute automatically to the level of trust. Local councilors have more of a tendency to distrust than to trust other people, although we have no detailed information about the components of trust (Table 3.79). The level of trust does not correlate with friendliness or with the level of respect for the law. There is a quite an obvious contradiction between the high level of "general" declared trust and trust as it is operationalized on the local level. It would seem that at the municipal level civic culture (a general belief in participation in civic duties) is not a matter of general belief but a matter of practices, i.e., case-by-case personal experiences are the basis for assessing the abilities of individual citizens and their organizations.

The belief expressed by almost half of the members of local councils (54.5%) that civil associations are reliable partners is very important information. It reveals that the local bodies and civil associations already have some experience of successful cooperation. Organized citizens are much easier partners for the civil servants than unorganized citizens and they have already demonstrated through their service that they can be trusted. This observation supports the idea that progress made in the building of civil society contributes to civic culture. Civil society contributes to the accumulation of social capital (Stolle 1998).

Table 3.79
Local Councilors' Views on Trust, Cooperation, and Conflict [%]

The Share of Local Councilors Who ...		Share with the Opposite View
... perceive relations as predominantly unfriendly	20.3	45.7
... believe that people do not respect the law	33.5	33.7
... believe that there is not trust between people	31.1	22.2
... believe that local government cannot count on the support of associations for its initiatives	25.9	40.7
... believe that local government cannot count on the support of citizens for its initiatives	54.5	19.3

SOURCE: LRS 2002.

4.2.7 Local Governments: Partners in Dialogue with Civil Associations

Increasing the repertoire of methods or processes for “channelling” problems, enhancing the role of civil society, and developing cooperation through open dialogue are all important aspects of the democratization of Estonian society and local government. In this regard, civil associations have a role to play in local government–community relations. Our study has supplied information on:

1. Institutionalized initiatives, i.e., regular contacts that occur in the framework of established structures and that are cooperative in nature; and
2. Spontaneous and noninstitutionalized interactions (demonstrations, public actions, and legal claims).

Partnerships or forms of contact that are informal or noninstitutionalized play a role in civic culture in the sense that they contribute to a “culture of social activism.” That is, regular public dialogue and the practices of advocacy and protest are an important part of social communication and community life.

The civil initiatives reported by the respondents were described as emerging in 335 different forms. (The number of substantial civil initiatives was smaller because a lot of them were “complex” in terms of utilizing different methods).

The number of public actions reported was quite small—27 demonstrations and 91 petitions. Collecting signatures was popular in the medium sized municipalities (more than half were reported in municipalities with between 2,000 and 4,999 residents). There were 68 public challenges of LG decisions and 92 cases of interest groups contacting local leaders to discuss burning issues. About one-third of all initiatives involved the use of cooperative means to address issues and around 60% involved open challenges. In 31

cases citizens challenged LG decisions in the courts. A relatively big share of initiatives (about 25%) took the form of public protest actions. It should be noted that in Estonia there is no tradition of powerful civil action or of orchestrated talks to resolve issues. The data collected suggested that the relationship between the LGs and civil society was quite fragile and consisted of an unsystematic set of occasional initiatives. Only in a few cases can we assume that a larger process of dialogue was launched. Some efforts were made to institutionalize and regularize opportunities for dialogue, but mainly it took the form of an occasional set of events. The most socially institutionalized form of addressing issues was petitioning (as a public, organized, collective activity). Using data collected from newspapers, we can conclude that the majority of initiatives was ad hoc in character and developed on a case-by-case basis.

The fact that popular, spontaneous, civil initiatives were launched along with ones that followed more or less formal procedures informs us about the problems faced in the building of local democracy. But the fact that quite a large share of issues came before the courts is evidence of the progress that has been made in local political culture.

Local government officials' assessment of the relation between civil society associations and local government is illuminating. According to the civil servants, the number of issues brought forward by civil initiatives to influence the decisions of local government was not significant (see Table 3.66). With respect to institutionalized and noninstitutionalized techniques for expressing the interests of citizens, the more formalized, institutionalized ones prevailed in the repertoire of activities of citizens (the different ways of having contact).

Among the range of public and noninstitutionalized challenges of LG (by demonstrations, petitions, etc.), applying to civil associations or alerting the media were not the most popular means to make an impact on the performance of the LG. Participating in the sessions and applying to factions were also not popular activities. In terms of dominant methods or approaches, there was not a big difference between towns and parishes. In the towns (both larger and smaller ones) a more frequent method was to approach the media, which indicates that in these municipalities the public sphere is more closely integrated with local affairs. But civil associations are not perceived as a resource (organizational capital) that could be used for raising issues. One explanation for this is that public interest-oriented civil associations, which are the ones that could serve this purpose, are rarely available.

A small number reported that challenges to the decisions of LG cannot be interpreted as a problem of the regime, but are simply matters of civic culture. Along with the weakness of the side of civil society that advocates on issues related to the environment, unemployment, and citizens' and minority rights, is the negative attitude of the Estonian right-wing mainstream media towards popular protest. These media express the view that in "developed" or modern democracy there is no need for extra-institutional activities. Popular actions are usually stigmatized by the press as unconstructive or

not socially representative. The marginal position of associations as organizers of these actions—only 15% of actions were organized by civil associations and 11% by groups of citizens—signals that the role of “established” civil society in initiating civil initiatives is marginal. According to the study, in one-third of all actions (84 cases) private individuals were the main initiators.

Civil servants in general are not in favor of spontaneous (noninstitutionalized) public civil actions and perceive them to be only partly effective in terms of promoting the shared interests of the community. The civil servants are least positive about demonstrations—only 22.5% say that demonstrations are to some extent a productive method. They are more positive about collecting signatures (60.1%) and making contacts with LG leaders (93.8%). That is, they prefer the least public way of raising issues, which leaves them in a privileged position as the dominant player. Therefore, raising issues publicly in a “noisy” way can be interpreted as an extra resource of citizens.

Civil servants are also not in favor of legal challenges to LG in the courts and 62% think such challenges produce more damage than contribute to development. This kind of attitude could have two sources. Firstly, all legal procedures consume time and energy and tend to harm the efficacy of any institution. Secondly, the negative attitude toward legal claims may be a carry-over from the mentality of the Soviet period, when resorting to legal means was not considered a proper solution.

Civil servants’ general opinion of contacts between LG and civil society organizations is quite positive. Almost half of them (46%) believe that the developed organizational capital contributes to the positive role of civil associations, 50% think that communication with the associations is easier, and 65% say it helps them to understand local needs. The share of civil servants who strongly believe that civil initiatives and contacts also help in the assessment of LG performance was smaller, but the share with a generally positive view was large (49%). They were positive about the contribution of shared belonging with respect to financing of associations (60.2%), but remained rather sceptical about the strategy to develop the “third sector,” i.e., paying associations from the local budget to provide services. Only 29.5% of respondents shared this vision.

4.2.8 The Impact of Civil Society in Shaping the Decisions of Local Government Institutions

From the perspective of local public life, it is obvious that the master of the local municipality is its body and administration. Their role as the key elements in decision-making was taken as fact by the civil servants. Both the civil servants and the local councilors considered the role of other public actors to be much less significant.

Figure 3.28 indicates that, despite the differences in the vision of civil servants and local councilors, their perceptions are very similar. In total terms, all civil actors

selected on the list had medium success in shaping local policies. Although it is difficult to point to an obvious dominant actor among the public actors, business and political organizations are seen as the most influential.

The most effective actors on the parish level—passionaires—were the individual citizens and business. In cities the most effective actor was business, but the role of the trade unions and media cannot be ignored. The biggest differences between countryside and towns were in the impact of business and political party branches, but also of interested citizens. Business is marginal on the parish level, but local party branches are relatively more effective in the urban environment. The church has almost lost the authoritative role it had at the beginning of the 1990s; it had not been a key element of civil society previously and the increase in its importance was exceptional. In general, the structures that build civil society (the church, trade unions, and voluntary associations) made some impact in towns and played a much more marginal role in the countryside. In local community life they are in the background.

We discussed the impact of external constituents on LG decisions and the decision-making process previously in this chapter. When asked about problems, civil servants did not so much identify pressures from “outside” (from enterprises and civil organizations, i.e., organized pressure), but rather the passivity of local residents in advancing their own interest at the local level (mean of 4.35; see Table 3.66). In the towns, business, the elite, and associations were many times more active. But in very general terms there is no single actor that could be identified as “hegemonic.” Civil society associations were the most passive as a pressure group, which is explained by the small proportion of interest-oriented associations among associations (Lagerspetz et al. 2003).

The most influential actors in municipalities were mayors, committees, and factions of LG (see Figure 3.10). In towns, the relative importance of the factions was considerably higher (49% of civil servants shared this view). In the countryside, the head of LG was considered a main “mover” (53.8% of servants shared this view). But the most influential actor/authority in both cities and parishes was perceived to be the mayor.

From this perspective, LG in Estonia is not yet developed as a modern institution—the public sphere and civil society are not “partners” of the municipality. The administration of municipalities is relatively impervious to influence and public servants dominate local life.

One of the normative preconditions for more effective cooperation between civil societies and LG is that certain rules and procedures for involvement are developed. On the procedural level, civil society organizations were involved only occasionally. In 39.9% of LGs (mainly parishes), civil associations did not participate as experts in the preparation of decisions and in more than two-thirds of LGs, no written proposals were submitted by civil associations to the local administration. Representatives of civil society were reported to be actively involved in decision-making in 183 cases.

Discussions of the local budget are an area where civil society appears to have a limited involvement in public matters. Less than one-third (29%) of respondents mentioned

that representatives of civil associations were attracted to the discussion on the budget (see Figure 9.3). Although this number is very low, it may inform us as much about the openness of local governments as about the capacity of civil society. The question focussed on the inclination of local governments to involve NGOs. Public hearings on the budget were organized by only 14.6% of local governments and almost 90% of respondents mentioned the participation of interested persons in these discussions. Questions remain about the definition of “interested persons,” but the results indicate that there was public access to the decision-making of the local administration.

Despite their limited experience with such involvement, civil servants were almost positive about the contribution of civil associations to the work of LG—19.3% were very positive, 29% less positive (offering conditional approval of participation), and 23.2% were selectively positive. A very small group of civil servants, 3.1% all together, did not welcome the participation of civil associations.

The results of our study lead to the following observations on the relationship of civil society and LG:

1. Modern civil society as a real actor and partner of LG is not yet firmly established in Estonia. Only in some economically and politically more modernized regions (the northern regions) are associations numerous and resourceful enough to be perceived as potential partners or challengers to LG;
2. LG has not demonstrated a substantial interest in cooperation with associations and any cooperation that does exist has remained casual and occasional. Procedures have not been established to facilitate contact and cooperation between civil associations and LG.
3. The important potential of civil society, as public interest associations and the “third sector” to which LG could contract out services, is still relatively unrealized.

The economic and social development of Estonia has been based on the minimal state model, in which civil society is primarily a provider of services. However, the integration of the Baltic states into EU structures will raise questions about the adequacy of this model for a modern democracy.

4.2.9 Conclusion

Relations between community and LG in post-communist Estonia have been shaped by policy predominantly influenced by a neoliberal discourse that links successful transition to free market forces and a decrease in the role of the state and local government. In the general design of nation-building and community-building, support for the promotion

of civil society has been minimal. The elitist democratic model, which utilized ideas about an “exceptional period” in the transition, did not perceive trade unions and civil society as partners. A temporary rise in the authority of the Church was a politically motivated move—religious feelings were mobilized as part of the anti-communist revolution. Civil society was defined by ruling parties in terms of its value as a “third sector,” i.e., as a service-selling sector, intended to replace services previously delivered by a welfare state. Efforts to restore the historical system of local governments came into conflict with the logic of an administrative system that had been developed during the years of Soviet occupation.

The capacity of almost every local civil association and the role of media was largely shaped by the macro-level environment, including factors such as the type of local community (urban or rural), available human capital and social stratification (economic development), regional belonging, openness to the richer Nordic neighbours, proximity to Tallinn, and ethnic composition. Estonia’s “centre” and “periphery” are defined not only by geographic factors (regions), but also in terms of ethnicity and the urban/rural divide. The overall capacity of local governments has been diminished by the division of Estonia into the metropolitan center (Tallinn and the surrounding Harju county) and the marginalized peripheral regions. In terms of a shared national civil society, this division has been accompanied by the substantial political exclusion of municipalities from the policymaking process, which takes place predominantly in Tallinn and within the close circles of governing political parties and leaders of large economic corporations. The residents of peripheral communities and especially small rural communities are much less organized than business groups (active trade unions in the periphery are rare exceptions). The potential for them to influence the self-government of municipalities is limited by the habit of rural associations to act mainly locally, the limited scope of their links to the center, the poor public space, and the scarce access to national and supranational civil structures and organizational resources.

A second major impact on the performance of LG, especially in the countryside (where a huge majority of municipalities is situated), has been the fragmentation of residents into a loose assembly of actors (businesses, civil associations, and political parties) without the development of an effective, integrative set of civil, communicative (public sphere), and political networks. In economic and organizational terms, rural LGs are often almost entirely without resources. Local government interest in cooperating with civil associations has been restricted by ignorance on the part of civil servants. But the latter, lacking both appropriate training and financial support, have not been able to rebuild strategies and acquire new skills. In addition, associations have lost much human capital to the larger centers in the last ten years.

Thirdly, while a strong middle class is the necessary backdrop for a strong civil society, Estonia displays an imbalance among its main social strata. The economically

well-off minority (business people, big farmers, and commercial entrepreneurs), together with the comparatively secure employees of state and public services organizations, have built an effective network of “producers clubs,” taxpayers associations, etc., which also operate at the national level. By contrast, 20% to 25% of the population—casual laborers, low-paid agricultural and forestry sector workers, small subsistence farmers, and the rural unemployed—is systematically discouraged by economic deprivation and social isolation from building trade unions or advocacy associations (environmental, minority, consumer protection, etc.).

The division of residents into strong and weak actors (“winners” and “losers”) became dramatic by the turn of the millennium. While strong actors have both the resources and the established organizations needed to promote their interests at the LG level, the weak actors usually lack comparable organizational and intellectual resources. They lack social connections and are excluded from political participation. The leading political parties promote ultra-liberal or liberal ideas and it is relatively easy to ignore the claims of weak associations with no political “advocates” and weak grounds for support in the context of the mainstream approach, according to which civil associations must finance their activities themselves.

Fourthly, the understanding of civil society as primarily a service-selling “third sector” has little meaning in the non-urban areas that lack a developed market with qualified sellers and enough wealthy buyers of services. A specific form of this “two-tiered Estonia” also operates at the local government level, when urban people take up residence in the countryside and commute to work in neighbouring cities, buying services there, communicating internally, and constituting an extraterritorial elite that influences local authority decisions. This has been occurring particularly in the regions around Tallinn and some coastal areas. Although these people live within the territory of a local government, they have limited contact with the local communities. Their interests are mainly residential-oriented and it is difficult at this point to assess the impact they may have on local life.

With the turn of the millennium, changes in the nature of public discourse have become apparent. The new “rhetoric” envisages the participatory involvement of communities, NGOs, and local action groups in the process of designing and implementing various development strategies, plans, projects, and interventions. There is national agreement that civil society should have an active role in promoting local development, tackling social problems, alleviating poverty, promoting social integration, and engaging citizens in territorial planning. The innovative nature of public debate and discussion around these issues is evidenced by the emergence of two parallel discourses: that of citizen engagement and participation in the development of the third sector and the discourse of partnerships.

4.3 Political Culture and the Shaping of Modern Citizenship

“Citizenship,” considered as membership in a modern society, also refers to the complex quality of individuals. In the newly free Baltic states, citizenship was primarily regarded as a legal construct defining a person’s political membership, i.e., nationality. This “thin” conceptualization of citizenship (linked to the representative democracy model) ignores the more complex interpretation associated with a strong democracy model (Bader 1995, 211), and it has a number of historical roots.

First, despite their anti-communist stance, Estonian nationalists inherited from Marxist doctrine a romantic idea—fed by the vision of national identity—that political activism and social commitment are natural attributes of the individual. They believed that these qualities had merely been temporarily suppressed by the bureaucratic state-socialist system (in the Baltic case exercised by the occupation regime).

Second, post-communist political philosophy followed Rousseau’s lead in abstracting the classical civil ethos from the practical perquisites of the criterion of good citizenship. In its obsession with the status of citizenship, it characteristically neglected the positive social construction of the persona of the citizen, both as an historical process and as social fact.

Third, the restitution project to rebuild the nation focused on political citizenship, which excluded those immigrants who had arrived during the Soviet period. The potential damage that this form of exclusion would cause to the socialization, identity-building, and self-esteem of noncitizens was not considered important compared to the political gains that were the real priority.

Fourth, the idea of a citizens’ state, which had constitutive value for the promoters of the minimal state concept, underlined values related to “negative freedom” and collectivist attitudes that had fallen into disfavor.

The concept of a citizens’ state, which mitigated the more communitarian civil society approach, became the dominant or mainstream discourse for a decade. Social citizenship was largely compromised by its links to communism and the mode of collective consumption.

Consequently, the institutionalization of community membership faced serious problems, as it was imagined that merely establishing the legal and administrative framework would be sufficient. Not surprisingly, civil and political disengagement, reflected in low participation rates in elections and a general disinterest in public affairs, is increasing.

4.3.1 Political Interest and Knowledge

Community-building at the municipal level is an essential laboratory for the development of civic culture and the emergence of a modern type of citizenship. In the post-Soviet environment and in the Baltic context, Estonia is becoming a socially and culturally distinct entity, which, in many aspects of its political and cultural development, is somewhere between Central and Eastern Europe and Scandinavia (Lauristin 1997, 25–40). The “Singing Revolution” (1988–1991) produced a specific kind of citizenship typical of the post-socialist “elite democracy,” in which politics was highly ideological and mythologized. The restoration of independence began the process of shaping a new modern citizenship. But Estonia’s national and liberal state project rejects the development of a regime in which all former Soviet subjects could become citizens. One-third of Estonian residents today are citizens of Russia or have “alien” passports. The idea of developing a framework in which the intellectual and political elites would no longer be the sole political actors was replaced by the hegemonization of the economic elite, which has made networks of managers and so-called “taxpayers clubs” the main polity. The ultraliberal, Friedman-minded economic elite rejected the notion that political citizenship should be extended to the entire nation. Elitist citizenship that offers privileged access to education and resources has made progress and the share of Estonians who enjoy participatory citizenship has been diminished.

In terms of perceived citizenship, it is hard to describe Estonia as a homogeneous space. Historically, Estonia was a peasant nation and those who reside in the countryside share a “peasant citizenship” and a particular sense of identity. In these areas, the disposition towards self-government and parliamentarism is more republican than in the part of Estonia that is relatively more sovietized and dominated by the Russian-speaking, working class minority. New layers of modern or quasi-modern civil servants have been trained and even dominate already in some levels of self-government in Tallinn and in some towns on the western coast (Kuressaare, Pärnu). Some areas, such as north-eastern Estonia, are dominated by non-Estonians and governed in a manner that was shaped by the “hardboiled” administrators in the Soviet garrison-towns (Sillamäe, Paldiski), who had been strongly instructed in “Soviet citizenship.” Cadres here are shaped by party workers and retired military personnel from the Soviet era, who have found partners in corrupt local managers.

The general situation and processes at the national level form the background to the shaping of local or regional citizenship at the parish, town, or county level. Thus, the following features can be observed:

1. Declining trust in political institutions and traditional forms of politics, e.g., elections and political parties;
2. Declining identification with localities and the redefining of region and nation in a postimperial context;

3. The fragmentation of many traditional communities (townships, villages); and
4. The increasing social and economic polarization of society.

Governance is about reshaping institutions to be more responsive and open; at the same time, a key aim of recent reform policy in Estonia (municipal reform and efforts to promote and strengthen civil society) has been to “remoralize” citizens, i.e., to convince them to take a more active and socially responsible attitude as citizens. This underlies much welfare reform, which is designed to encourage a much more participative approach. It is focused on regenerating community spirit through community development, neighborhood renewal, more voluntary participation, and so forth. This aspect is particularly directed at the problems of social exclusion. But active citizenship is also sought in politics, with more positive participation in political institutions (old and new, at the European, national, and local levels), and so forth.

4.3.2 Political Efficacy

A central task of local government reform was the reconstruction of Estonian society from below. Local government is not only an arena where civil society seeks to construct organs of the self-governing republic, but it also is the focus of a fundamental shift in the center of gravity of social life. The aim was to transfer the organization and focus of everyday life from the workplace or business to the residential milieu. If, in the first part of the last decade, it was essential to break with the fundamental characteristic of “real socialism” (the separation of the public and private spheres), today the important task is the emancipation of individuals from fetishized market forces.

In the context of local government (national-level politics have more abstract, ideological forms), citizenship formation takes place as an “instituted process,” i.e., citizenship is displayed as a set of institutionally embedded social practices (Somers 1993, 589) in the local political context. These practices are contingent upon and constituted by networks of relationships and political idioms that stress membership and universal rights and duties in the national and local communities.

Grappling with the problem of how citizenship can be constituted as an instituted process requires us to ask questions such as: To what degree do citizens feel they are able to understand local political issues? To what extent do citizens share the feeling that they can have an influence on local political issues? It is hard to answer these questions using the data produced in the framework of the field research (survey). Therefore, we will use collected material and data from different sources for this purpose.

In the autumn of 2001, the Estonian government conducted a survey in which people were asked about their feelings towards the authorities (N=1450). The results showed that they felt much more confident and optimistic with respect to the local government

than the national government. They also felt more optimistic about their capacity to affect the running of local matters and to have an influence on local government and on local administration.

Table 3.80
Citizens' Beliefs about Their Capacity to Influence Political Issues [%]

Level	To What Extent	Estonians	Non-Estonians	All
Activities of local administration (at the town and parish level)	Very much	1	1	1
	Somewhat	39	24	33
	Not at all	60	75	66
Activities of local government (at the town and parish level)	Very much	1	1	1
	Somewhat	35	20	29
	Not at all	64	79	70
Activities of government at the national level	Very much	0	1	1
	Somewhat	12	6	10
	Not at all	88	93	90
Activities of parliament	Very much	1	1	1
	Somewhat	8	5	7
	Not at all	91	95	92

SOURCE: Saarts 2002, 96.

The survey results confirm the logistical challenges to citizen engagement posed by distance and number. Both the national and local level bodies are democratically created and open to the public criticism. Since access to the local administration is an important element of participatory democracy at the community level, it has a significant role to play in legitimating the regime. Improving citizens' confidence in the institutions is essential in the struggle against alienation and, from this perspective, the planned reform of local government, which aims to merge small parishes to a substantial extent, may endanger political stability in Estonia.

Compared to the old consolidated democracies (e.g., the Nordic countries), Estonia has a very low level of citizens' confidence in their own capacity to influence local government and its institutions—only 10% believe they can affect policymaking at the national level. Unlike in the consolidated democracies, a large gap exists in the relative accessibility of Estonian LG and the national government or parliament to ordinary citizens. It is true that the old democracies face similar challenges of geography

and population. But there appears to be a missing link in the articulation of Estonian society and its structures. Woolcock (1998) has noted that an important ingredient of social capital is the “links” that add cohesion to civil organizations and facilitate the development of “subsidiary institutions.” The presence of subsidiary institutions—“complex network[s] of voluntary organizations that function on a local level to meet the material participatory needs of citizens” (Le Roy 1995, 298)—is essential as a means of articulating the policy interests and opinions of citizens as actors in the decision-making process and of integrating the larger political units into their respective constituencies. The local element of these institutions helps to tie national organizations to their local constituency. In many countries, especially in the Nordic countries, organizations such as labor unions, churches, agricultural cooperatives, consumer cooperatives, business organizations, environment protection associations, etc., have a local responsibility to their members in addition to an interest in national politics. In Estonia, only taxpayers’ associations are effective in this way; other organizations do not have the capacity to fulfill their subsidiary function.

The poor performance of civil society compared to the public and business sectors has provoked some Estonian scholars to advocate for the development of a kind of “corporate democracy,” with subsidiary organizations creating the necessary “links” (Leetsaar 2003). Historically, such associations or organizations have provided for collective needs in the workplace and marketplace, while articulating their policy demands through corporatist channels. But as Leroy notes: “To interpret these subsidiary organizations’ social function mainly in terms of corporatist activity in nationalist politics overlooks their complex role in civil society as agents of democratic participation, education, mobilization, and obligation at the grassroots level” (1995, 299). There are good grounds for believing that subsidiary organizations may contribute to democratic citizenship in countries with a strong political culture, but in the post-communist countries with a weak political culture the corporate element will take the upper hand over the grassroots level.

The notable difference between Estonians and non-Estonians in their expectations about their affect on policymaking at the national level that was revealed in this study has its roots in the postimperial citizenship policy of the nationalizing state. But at the local level these differences can be only partly connected with formal rights, since all permanent residents are eligible to vote at the local government level. A more appropriate explanation lies in the much weaker civil organization of the non-Estonian ethnic groups.

Non-Estonians report more frequently on their limited access to the officials and public structures, which hinders them from promoting civil initiatives. Extending the right to vote to noncitizens (permanent residents), which is exceptional in the context of international practice, encouraged them to participate in their work via institutionalized forms of performance. Thus, 64% of Estonian and 46% of non-Estonian local officials

reported positively in 2000 about the opportunity of citizens to influence the decision-making process. But a deficit of civic assertiveness and organizational culture makes non-Estonians much less effective. Only 9% of non-Estonian respondents were optimistic about the impact of the citizens' movement on local government affairs, compared with 32% of the Estonian respondents (Democracy 2001, 21). These and other observations testify to the significant alienation of non-Estonians from local democracy.

This kind of alienation also leads to social problems, such as the emergence of an "uncivilized civil society" (in the discourse of the majority) as a sub-community, consisting mainly of non-Estonians. As yet, there has been little or no research into these subcommunities; however, they are considered to have much higher crime rates, to foster networks of organized crime and illegal small businesses, etc. This situation is an indication of the devastating effects of the deficit of participatory democracy and civic culture in the north-eastern region, Maardu, and some subregions of Tallinn, which are populated mainly by non-Estonians.

The results of this study are supported by other findings that revealed a big gap between Estonians and non-Estonians in terms of their integration into civil society through membership in different associations (Ruutsoo 2002) and their access to different types of networks. That is, there are striking differences between two communities in terms of social capital (Heidmets and Lauristin 2000, 348–350). The studies also support the general observation made in various countries that the diminishment of social capital negatively affects trust in local institutions and the belief that people are able to affect their performance (Saarts 2000).

4.3.3 Local Solidarity and Identity

In the sociological sense, citizenship also refers to social identity or social membership, a feeling of identification with local groups, or the acknowledgement of being a member of a given community or even a member of a particular group (La Torre 1995, 113). As such, citizenship practices are a source of social, communal, and political identity. But the translation of these identities into a positive citizenship identity depends entirely on the context of activation. What has been called the "culture of difference" triggers a weaker solidarity everywhere. Within modern ideologies, social identity and social solidarity seem to conflict with each other on principle (Donati 1995, 299). If this is a general trend, then it raises issues about the new solidarities in the post-communist world. At the theoretical level there have been promising observations that a new societal semantics has taken a root. Donati explains:

In and through it, citizenship appears as a relational set of rights and duties of individuals and social groups, arranging civic life into a number of 'universalistic societal autonomies' capable of reconciling collective goals and self-management practices,

solidarity and identity issues. This is the challenge: to find a way out towards a new balance between social solidarity and social identities. The name of this new game is ‘societal citizenship’ or citizenship of social autonomies, including regional ones (1995, 313).

The development of societal citizenship is both relevant and urgent for Estonia, i.e., progress towards creating the ties, networks, and identities that bind people within and to their society. But efforts in this regard in Estonia must take into account its particular context, defined by conflicts rooted in post-socialist and also postimperial realities.

One of the most important constitutive layers of residents in the development of societal citizenship is the members of the local bodies. This group is not representative of the “average” Estonian. Their attitudes and identity structure are those of a local elite, which has the capacity to operate as patriots in their residential area and to produce subsidiary “links.” To some extent our study supports and in other respects challenges previous findings. Our results do not always reflect the linear and regular results that are usually observed in research on LG, e.g., that the smaller the group or territory, the bigger the share of officials identifying themselves as members of the group (Democracy 2001). If we divide the attachment of the local government elite into three levels—strong, medium, and weak attachment—we can see that this division corresponds with levels in the spatial dimension of territory or area: local, regional-national, and supra-national.

Table 3.81
Local Officials’ Level of Attachment to Different Identities [%]

Attachment Level	Strong and Very Strong	Weak and Very Weak
Area of residence	74.2	0.5
Parish/hometown	61.8	1.8
Region	54.2	3.2
Estonia as a whole	58.4	1.8
Europe	10.6	19.9
World as a whole	12.7	27.0

SOURCE: LGS 2002.

There is no significant difference in the attachment felt toward the regional, parish, or national level of community among the local officials. However, the attachment of officials to their area of primary residence is relatively higher and in the rural areas very high. Their attachment to the primary level of local government is not as important. This gives some indication of the devastating impact of the Soviet regime on the basic

elements of traditional community-building. People are attached to their residential area, their primary community (as *Lebenswelt* or life world), because of personal, life-historical, and communal reasons. The larger units (parishes), which had a fundamental meaning in the identity-building of residents in the years of the First Republic, have not restored their role and their meaning (the success of individuals is not as strongly related to the progress made at this level of community). The parish or county has largely lost its value as an historical or economic entity and the officials' plan for a fundamental shift that would create a new center of gravity of societal organization (the consolidation of LG) has in sociological terms not made any significant progress. This is despite the fact that 84% of those involved in building the local bodies are long-time inhabitants who have resided fifteen or more years in the parish or hometown and only 1.4% have resided there less than three years.

The traditional identity structure—in which the smaller and more peripheral the place of residence, the stronger the attachment—is a more complex phenomenon than is normally expected. According to our findings, the influence of smaller residential areas or localities overlaps with other indicators, such as: a longer period of time members of official bodies have spent in the place they were elected, a more limited competence in foreign languages, a less frequent use of the Internet (more limited access), and a lower economic status. It can be said that economic, informational, and cultural marginalization contribute to the creation of a substructure of local patriotism, sometimes with parochial tendencies (Ruutsoo 2002).

According to the LRS findings, the identity of Estonian officials residing in the small parishes is the most homogenous and solid. They are devoted patriots of their parish, (attachment over 90%), have a high attachment to the region (over 85%), and a strong identification with their country (around 65%). Their attachment to Europe and world affairs is weak (10%). The identity of local officials in Tallinn is more complex. Their attachment to Europe is the most developed, with about one-third of all respondents (both Estonians and non-Estonians) declaring their attachment to Europe. In the smaller towns, the “ensemble of identities” of the officials is more locally focused— they mainly display a locally, regionally, or nationally oriented set of identities. There is an observable regularity in identity related to the generations. The bigger the share of young members in the elected bodies of the towns (30 to 40 years of age), the more positive and more attached to Europe they are.

A specific dimension of identity-building of residents is ethnicity (non-Estonians citizens of the Estonian Republic). Along with the big changes in the identity structure of Estonians in the last fifteen years, there has been an even bigger restructuring of identity among non-Estonians. Minor changes are visible in identity at the local/residential level, but at the regional and national levels identity is crucially intertwined with the political, military, and economic integration of Estonia into Europe and other transnational structures (Kirch 1998).

Our study revealed that around 6% of elected officials is non-Estonian. This figure is five-six times lower than the percentage of non-Estonians among eligible voters. It appears that on the national level non-Estonians tend to vote for Estonians. One explanation for this is the fact that the non-Estonian postimperial elite is still very weak. The identity profile of non-Estonian members of local governments is also much different from the Estonians' profile. The attachment of non-Estonians (with Estonian citizenship) to the area where they reside is considerably lower than that of the ethnic Estonians. The majority of them have resided for a much shorter period of time on the territory of their respective municipalities (but this fact only partially explains the difference).

Our findings fit well with results of data gathered in the framework of DLG projects, which also questioned the officials of local governments (Democracy 2001). Compared to the ethnic Estonians and Estonian citizens, non-Estonians and Estonian citizens perceived themselves twice as much to be citizens of the world (attached to the world). It should be noted that these data also speak to attachments to Russia as world, although Russia was not specified in the questionnaire.

Table 3.82

Local Leaders' Identification with Different Levels of Community [%]

Level of Community	Total	Estonians	Non-Estonians
Locality or town where you live	78	82	63
Region of country where you live	46	53	21
Your country as a whole	55	59	42
Baltic group of countries	11	12	7
Europe as a whole	23	21	33
The world as a whole	24	21	37

SOURCE: LGS 2002.

The high level of identification that non-Estonians feel with Europe and the world is a reflection of the identity crisis and reorientation of the Russian-speaking population. The reestablishment of Estonian independence in 1991 meant a crucial change in status for non-Estonians: from the dominant group that represented an imperial nation to a minority in a small nation state. In addition, due to poor Estonian language skills, a higher unemployment rate, involuntary job shifts, etc., non-Estonians experienced greater disappointment and uncertainty. European institutions have long been advocates for the rights of non-Estonians. Thus, the reorientation from a Russian to a European or even to a world identity has an ideological basis more than anything else.

4.3.4 Legitimacy of the Administrative and Political System

In formal terms, a democratic system of governance has basically been installed and is taking hold in Estonia. However, the basic elements that sustain the legitimacy of the political and administrative system—both the objective characteristics of the system (regime) and the subjective positioning of the individuals—are not yet supported with a new civil and political culture. The legitimacy of the established regime is derived from social acceptance and appropriateness as judged by reference to certain norms to which people more or less actively assent. A new system of social, political, and civic norms has developed, which will become more cohesive with the modernization of the whole society.

A paradox of the young Estonian democracy is that the legitimacy of the established political system is generally quite high, despite the critical attitude of many people towards politicians. At the same time, people's trust in parliament is among the highest in Central and Eastern Europe (Vetik 2002, 108). This paradox is explained by fact that Estonians are intensely anti-communist and they overwhelmingly regard the more than four decades of Soviet colonization as a period when freedom was absent. Over the last decade, a stable two-thirds of Estonians have evaluated the new economic and political system positively. Russophones who reside in Estonia tend to evaluate the Soviet regime much more positively (two-thirds evaluate this period in positive terms). But they also believe that in Estonia today there is more democracy and that they are better off in Estonia than in contemporary Russia (Rose 1997).

The comparison with the past is the main source of legitimacy for the ultra-liberal economic policy of the Estonian elite. The polarization of society in economic terms and the dismantling of the welfare state have had a negative impact on people's attitudes, but only 4% think that Estonia should return to a Soviet-type system. The present economic system is positively evaluated by 79% and the political system by 70% of respondents. The share of people who are positive-minded about the regime has risen from 58% to 70% during the last eight years (Vihalemm 2002, 278–279).

Ten years of national independence have produced significant change in terms of the legitimation of the state and other public institutions. Trust towards “own” national power structures and institutions of justice—the police and the courts—has gone up. At the same time, trust in the media, which has become a part of business controlled by the international corporations, has gone down. The national government and parliament enjoy much less public trust than local government. Trade unions, despite their quite limited membership, are more trusted than political parties. But the low membership in unions suggests a kind of distrust, in that people do not believe unions have the ability to defend their interests.

Table 3.83
Citizens' Trust in and Perception of Ability to Influence Institutions [%]

	Trust in Institutions				Capacity to Influence Institutions 2002		
	1990	2002					
	Trust	Trust	Do Not Trust	Can Not Say	Large Extent	Small Extent	Not at All
President		79	16	5	1	3	92
Local government		65	28	7	3	28	65
Government		51	43	6	1	6	90
Police	19	50	42	8			
Courts	28	47	33	20			
Parliament	68	45	48	7	1	5	90
Media	63	44	50	6			
Parties	12	22	56	22	1	12	82
Trade unions	20	42	23	35			

SOURCE: Kivistik 2003.

An ongoing challenge for power-holders during the last decade has been the deficit of trust that people have in their government and national parliament. This does not imply a crisis of legitimacy, but indicates that people are not satisfied with the workings of democracy in the country and do not believe they can have an impact on these institutions. Their low estimation of their own social and intellectual competence limits their interest in participating. But other, more objective factors, such as the deficit of appropriate social spaces and institutions, etc., play a role in discouraging people from contributing to the development of their local social environment (Kivirähk 1999, 15). In other words, efforts to develop "civic citizenship" or "active citizenship" have not been accompanied by the development of people's practical capacities and the social and legal instruments they require in order to contribute to societal progress.

People's trust in local government is comparatively much higher than their trust in the state. Some believe they can bring changes in local politics and, although this belief is not strong, it signals the existence of some element of participatory democracy.

The results of the Democracy and Local Governance survey, in which local leaders were asked about citizens' participation in local affairs compared with five and ten years ago, indicated that the leaders were conditionally positive about improvements in the

situation. Approximately two-fifths of the local leaders were of the opinion that people's participation in the local affairs of their community in 1999 was greater than it was five years before. Looking back over the past ten years, three-fifths of the leaders indicated that people's activities had increased (Vöörmann 2001).

These observations did not correspond to findings about the retreat of civil society, the deprivation of large sections of the population, political alienation as evidenced by a decrease in participation in the elections, an increase in social polarization, etc. The key to community-building is "citizenship" in its sociological meaning—social, economic, cultural, linguistic, and political citizenship. But citizenship in these terms is most relevant to middle-class, educated people who have at their disposal such resources as free time and sufficient income.

In post-communist Estonia, members of the old middle class (managers, apparatchiks, and heads of collective farms) were able to transform their "capital" and maintain their economic advantage, but they have been more profoundly expelled from the public scene than in some other CEE post-socialist states. The modern middle class has emerged with a structural imbalance. According to our study, the initiatives of "private individuals" (largely representing business) have played a very significant role in local affairs and modern citizenship in its full, sociological sense has not taken hold.

It is realistic to expect that as long as a genuine social dialogue has not developed on the national level in Estonia (Seeder 2003) and corporate initiatives of policymaking in the form of subsidiary institutions have not taken hold, then "associational democracy" will tend to push Estonia towards a closed society. For this reason, local government as a procedural and deliberative institution will have a pivotal role to play in the development of democracy.

4.3.5 Conclusion

At the present time, local government reforms are mainly administrative and are not designed to contribute to the development of participatory democracy. The findings of this study confirm a general observation that to implement only a formal or minimal framework of democracy is obviously insufficient for bringing about a functioning democracy. Elements of a deepening "elite democracy" are undermining the legitimacy of the regime. But the development of almost all of the basic institutional elements that are preconditions for such legitimacy—parties, civil associations, a democratic and pluralistic media, etc., depends on how local government itself develops.

Self-government is not only the focus of a fundamental shift from elitist democracy to the next stage of democratic transformation, i.e., the centre of gravity of the self-organization of a new society, but also contributes significantly to the legitimacy of the national political system. For non-Estonians and those who are not citizens of the

Estonian Republic (around 23% of the total population), local government is the only institution to which they have access. From this perspective, local democracy has an extraordinary role to play in establishing the legitimacy of the Estonian state. At the end of the 1990s, the trust of non-Estonians in local government was considerably lower than that of Estonians (Lauristin et al. 1997, 336).

The transformation of Estonian society requires the institutionalization of changes that secure democratic citizenship and establish a modern procedural society, e.g., training civil servants, creating transparent procedures, opening up institutions to civil initiatives, having mechanisms for the regular assessment of public institutions, fostering discursive democracy in the public sphere, etc. The legitimacy of the system rests on the presence of the essential elements of a functioning local democracy: modern citizenship, participatory bureaucracy, effective associations, and civil society discourse. In this context, Dryzek (1996) notes that both institutional “hardware” and “software” must be developed, the “software” referring to social capital, civic culture, and political capital.

Developing some kind of participatory bureaucracy may be most effectively achieved on the local level, because it depends on the participation of and coexistence with semi-autonomous local institutions and civil society. New relational practices—political, legal, and symbolic—must be generated that are based on tacit universal rules and networks of civil associations that operate in combination with the unique civic cultures of different kinds of civil communities. Self-governmental citizenship (quasi-democratic citizenship) can emerge only in the context of particular practices—namely, those that support the popular public sphere. The active engagement of citizens and civil organizations in the public sphere is crucial. The public sphere must also mediate between civil society and the towering forces of the state and national markets.

5. CONCLUSION AND FUTURE PERSPECTIVES

The problems encountered in the development of democracy in Estonia largely derive from the particular institutional configuration of central–local relations, in which the processes of deconcentration and decentralization are very weakly coordinated. A model of “split hierarchy” (Leemans 1970; Bennett 1997) emerged in Estonia in 1993 largely as a crisis solution, but soon became generally accepted. In this model, local autonomy is irreconcilably opposed to central authority and vice versa, i.e., an abstract dichotomy is built into the basic framework. This vision was firmly institutionalized by the mid-1990s and excluded any other solution but this negative sum game, in which the redistribution of resources between local and central government is constantly contested. This vision, compounded by particularistic political interests, has not enabled the main balancing institution—the second tier of local government—to be installed in the vertical power structure. On the other hand, the efforts of central government

to develop intergovernmental relations, including the most recent in 2004, have been entirely targeted to reducing the powers of the county governor and administration.

Thus, unbalanced intergovernmental relations in the vertical dimension have hindered the development of local democracy and the application of principle of subsidiarity through further decentralization, especially in building capacity for self-sustaining community development. As a result, we mainly observe centralizing trends that cannot contribute to the further enhancement of space for local democracy. But there does not yet seem to be a trend to develop control mechanisms, i.e., there have been no attempts by central authorities to introduce mechanisms of direct administrative control over the activities of local authorities.

Hence, the critical link in sustaining democracy and democratic values is the availability of horizontal balances at the local level—above all, institutional (council–mayor) and political balances. In this dimension, in which local communities have much discretion, the prospects for local democracy in Estonia look much more favorable and sustaining.

Estonia has chosen a cabinet model of organization of the political executive, which has ensured a rather good mechanism of mutual checks and balances between the representative and executive branches, the political and administrative institutions at the local level. In addition, we see evidence of rather well institutionalized local politics in Estonia (in comparison with other CEE countries), which would provide favorable political control mechanisms in the absence of administrative ones.

Local electoral contests are increasingly based on interparty competition. The electoral results have become similar to those at the national level. The development of local parties and factions at councils has been especially intensive in the last several years. Citizen electoral unions have been able to preserve their position mainly because of the formalization of decision-making behaviour at local councils.

This institutional configuration of the horizontal organization of authority has ensured rather effective policymaking and implementation at the local level in sectors in which local authorities have powers and resources, e.g., culture and education, local community services, privatization, etc. We also see rather effective decision-making at council because of the development of coalition politics, although the professionalism of individual councilors might be rather low. Another positive finding was the rather effective planning and program implementation, although recent centralizing trends in investment policy would reverse those trends.

But all these favorable variables and trends were observed most clearly in larger communities. We did not intend to search for a “perfect size” of local community, in which the proximity of residents to the authorities is balanced by effectiveness in capacity-building. Our analyses of the activities of local political parties, decision-making at local councils, civil society organizations, and public engagement demonstrated that there is a democratic deficit both in very small municipalities and in large cities. The

most favorable environment for a vital civil society and public sphere can be found in medium sized municipalities (2,000 to 5,000 residents).

The comparatively consistent institutionalization of local politics in the framework of the cabinet model of local executive has resulted in a specific trend in the development of citizen participation. This trend has also been observed in the course of local government reforms in the UK in recent years, in which the cabinet model is optional at the local level (Chandler 1998). The cabinet model creates obstacles for local citizens in exerting an impact on the policy process via local councilors, because the decision-making power has shifted to partisan coalitions and political executives that are less accessible to citizens' channels of input. Councilors end up processing and highlighting citizens' individual problems and complaints that have weak links with major policy problems and solutions. Hence, the link between citizens and council becomes weaker. Under this system, citizens prefer to seek individual solutions to their particular problems instead of attempting to influence the policy process at council via organized civil society organizations.

This trend is also revealed in the pattern of behaviour of local councilors. Estonian councilors act primarily on the basis of an electoral mandate that was earned by being included on the electoral list of a political party. Thus, they tend to undervalue the importance of other channels of institutionalized political input. These trends are also reflected also in the controversial self-identification of local councilors. They share basic democratic values and belief in the ideal of representative democracy, but they often identify with and act in correspondence to the opinion of local executive power.

Presumably, this controversy of representative versus participatory democracy dates back to the first stage of local government reform. In the period when the basic values of local democracy emerged, the participation of people in politics was so active that not enough attention was given to incorporating it organically into the development of local democratic institutions.

Some parts of civil society have visibly contributed to the post-communist transition at the local level. But the broad possibilities for public political engagement that were granted by legislation in Estonia were not used by the rather well developed civil society organizations. Economic reforms in the countryside caused a major disintegration of society and an entrenched division of Estonian social space into the Tallinn central agglomerate and the deep periphery. A major civil deficit can be observed in the latter areas, including those populated by non-Estonians. We also observed a big gap between the towns and the countryside in the development of local media as an institution of civil society. These social and economic deficits seriously weaken the capacity for self-governance, which becomes one more obstacle in the development of legitimacy and trust in local democratic institutions.

One of main potential responses to this deficit is the development of cooperation between smaller local communities, which would also facilitate the restructuring of local authorities into larger units. Progress in this respect would result in the development of

local institutions and units whose main task is building civil society and maintaining contact with the media and the public.

One final conclusion is that, on the one hand, many issues of everyday life of concern to the local inhabitants—personal security, employment opportunities, vocational education—are beyond the reach of local authorities' powers and capacities and have not received enough attention from other institutions and authorities. On the other hand, given that Estonian public policy has emerged from the remnants of a hollow managerial state, the level of devolution and/or privatization of services to independent organizations and private subjects is considerable. For this reason, the role of local authorities in service provision is negligible. As our survey revealed, the efficiency of service delivery has improved, but it has not ensured enough general satisfaction with such a strategy. Presumably, both trends would contribute to the weak image of local authorities in the eyes of local inhabitants.

Hence, despite the existence of well-functioning horizontal balances and democratic institutions, the general level of power resources of local authorities and actors (the strength of their impact on decisions at the local level) and also their legitimacy were considerably lower than in other small CEE countries such as Hungary and especially Latvia (Sootla and Grau 2004). Does this suggest that the shift from communitarian-corporatist values to libertarian values in the development of local government in Estonia has happened? The answer to this will require further research and analysis.

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NOTES

- ¹ P. Aru was the mayor of Viljandi during several electoral periods.
- ² Term used by A. Leemans (Smith 1993).
- ³ Term used by F. Kjellberg (1993).
- ⁴ The survey was carried out among town officials by the Institute of Social and International studies and Euro University, Tallinn. A self-administering survey method similar to the current survey was used.
- ⁵ Data of the Estonian Statistics Agency http://gatekeeper.stat.ee:8000/px-web.2001/Database/Majandus_regionaalne/Majandus_regionaalne.asp. The Ministry of Finance's bureau of local budgets used a different method of budget analysis that did not coincide with data from the Statistics Agency. As the information from the Statistics Agency is official and more open, we rely on that source. The latest data from that source at the moment of final preparation of this chapter is from 2002.
- ⁶ As the basis of estimation we take responses of representatives of opposite institutions, in that case members of council.
- ⁷ There are already some studies on local government cooperation (Strengthening Intermunicipal Cooperation 2000), which analyze the main forms of cooperation and set up frameworks for successful cooperation. In our study we were only able to analyze background variables that would foster or hinder this cooperation, because the latter was not a specific task of our study and our survey did not contain specific questions. For fiscal problems of cooperation, see Sootla et al. 2002.
- ⁸ Citizens' electoral unions (CEU) are enacted in the Local Government Council Election Act. This is a mechanism to empower individuals who are not willing to participate in the party lists. Citizens with the right to stand as a candidate can constitute a union and form a list of candidates. In the allocation of seats, CEU lists will be handled exactly the same way as party lists.
- ⁹ According to the Local Government Council Elections Act, CEU will not be allowed in future elections.
- ¹⁰ For statistics about the Estonian civil service see: <http://www.riigikantselei.ee/index.php?id=1338>.
- ¹¹ Because a DP is normally prepared for the electoral period of council and immediately after the new council and government come into office, it is usually in the process of revision. Therefore, we did not ask our respondents this question immediately after elections.

The State of Local Democracy in Slovakia

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■

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■

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The State of Local Democracy in Slovakia

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1 INTRODUCTION

1.1 The Local Government System

1.1.1 The Slovak Republic: A Brief Overview

The Slovak Republic (SR) was established on January 1, 1993, immediately following the peaceful division of the Czech and Slovak Federal Republic. It is a parliamentary republic and, by constitution, a sovereign, democratic, and juridical state, not bound by any ideology or religion. Its economy can be described as a socially and ecologically oriented market economy. The SR is currently in the process of post-socialist reform of its political, economic, and social systems, and is a candidate for membership in the European Union and NATO.

The head of state is the President of the Republic, elected by the general population by direct ballot for a five-year term. The sole constitutional and legislative body is the parliament (the National Council), consisting of 150 representatives elected by proportional representation for four years. The Government of the Slovak Republic is the highest executive organ, while the independent Constitutional Court watches over constitutional rights. The power of the judiciary is invested in independent and impartial courts of justice. The most basic unit of self-government in the SR is the community and the higher territorial entity is the region (province). These two levels are independent territorial and administrative units, organizing persons with permanent residency in their territories.

The population of the Slovak Republic includes citizens of Slovak, Hungarian, Roma, Czech, Ruthene, Ukrainian, and German nationality, among others. The demographic survey of May 2001 reported a total of 5,379,445 inhabitants, of which 85.8% were Slovak, 9.7% Hungarian, 1.7% Roma, 0.8% Czech, 0.4% Ruthene, and 0.2% Ukrainian. Hungarians predominate in the southern part of Slovakia, while Roma are concentrated in the eastern region. The majority of Ruthenes and Ukrainians also live in the eastern part.

There are eight distinct regions (provinces) in the SR. The 2001 survey showed the smallest to be the Trnava region, inhabited by 10.2% of the total population (in 249 communities). The Bratislava region contained 11.1% (in 72 communities), and the Prešov region was the largest with 17.7% (in 666 communities).

In the survey, 4,521,549 persons (84.1% of the total population) declared themselves religious and 3,708,120 (68.9%) were Roman Catholic.

The survey also revealed that of 2,666,000 economically active citizens, 86,000 (1.6%) were employers and 128,000 (2.4%) were self-employed persons. Of the total working force, 561,000 (20.5%) were registered as unemployed (Survey of People, Houses, and Apartments 2001).

According to sociologist Ján Bunčák, in 2001 the population could be classified as 10.3% higher class, 17.6% middle class, 19.2% lower middle class, and 52.9% working class. Up to 19.7% belonged to an underclass outside the above classification, or their class attribute could not be determined (2003, 135). The new stratification of Slovak society is described by sociologists as a cone or pyramid, rather than a rugby ball; i.e., it is not dominated by the middle class, but rather by the smaller, but legally and economically most powerful, higher class. Thus far, the process of social transformation has weakened the middle class in Slovakia, both in numbers and in influence, and a portion of it has become lower class. A similar loss of social prestige has befallen the most numerous class, the working class, a part of which sank to the underclass (Sopóci 2000). At the time of the demographic survey, there were 862,000 permanently inhabited family houses and 1,880,000 apartments in Slovakia. On average, there were 3.21 persons dwelling in each apartment; 92.8% of households had a bathroom, 61% a washing machine, 76.3% central heating, and 39.1% an automobile. Computers were found in 9.2% of households, and only 3.2% of households were connected to the Internet (Survey of People, Houses, and Apartments 2001).

1.1.2 The History of Local Self-government in Slovakia

Local and regional self-government on the territory of Slovakia has a long historical tradition. Its roots were created after the revolution of 1848. Local and regional self-government existed during the Austro-Hungarian monarchy, the first Czechoslovak Republic (1918–1938), as well as during the war-time Slovak Republic of 1939–1945. From 1948 to 1989, under the totalitarian Czechoslovak Socialist Republic, local and regional self-government became part of the centralized state administration ruled by the communist party.

One of the consequences of the political change of 1989 in Czechoslovakia was the creation of a new system of public administration in 1990, which entailed separating the central and local governments. The introduction of this system went hand in hand

with the building of a new democratic state, the prime objective of the newly elected national governments of the Slovak and Czech Republics. Each republic created a distinct national system of public administration within the legal framework of the existing Czechoslovak Federal Republic (Sopóci 1992).

In addition to government-initiated efforts to reform the system of public administration in Slovakia, clear signs of the reform endeavor also came from “below.” The initiative in these latter efforts came partly from former employees of national committees and individuals who did research in the development of regional and local self-government in Slovakia. Through their joint efforts, an organization called “The Association of Towns and Communities of Slovakia” (ZMOS) was created in January 1990. As a prospective partner to the government, ZMOS set as its main objective the transformation of towns and communities into self-governing entities. The founding conference took place on March 21, 1990 and the new organization soon became a prominent representative of self-governed towns and communities in Slovakia.

At first, the Slovak government did not recognize ZMOS as a partner on equal footing. Even when it became well established, ZMOS failed to reach the status of equal partner to the government, or even that of a respected representative of the interests of Slovak towns and communities. Competing models for the building of state administration have been developed and promoted by the government, especially the Ministry of the Interior in charge of state administration, on the one hand, and by ZMOS on the other. The government and its ministry intend to implement a dual system dominated by the central administration, whereas ZMOS prefers a model dominated by local and regional government. These two concepts have competed since 1990, represented by the two principal rivals and their associates. During the 1990s, the government, the Ministry of the Interior, and other organs of the state administration dominated the field. The existing system thus embodies the objectives and interests of its creator—the central state administration; the suggestions (and hence objectives) of ZMOS as the representative of municipalities and communities have been taken into consideration only marginally (Sopóci 1992).

The National Council of the Slovak Republic passed the Act on Elections to Organs of Local Governments (No. 346) in August 1990 and the Municipality Act (No. 369) in September 1990. Consequently, elections to municipal self-government bodies took place on October 23–24, 1990. With the election of mayors and local representatives to local councils, local government in Slovakia was born.

At that time, regional government had yet to be created. The abolished counties and national committees were supplanted by a two-tier state administration system, governing 38 districts and 121 local offices. This system assumed responsibility for both general and special administrative tasks (the special state administration was in charge of local schools, the health care system, and environmental issues). In 1996, the system of local state administration went through another reform, which created eight

additional counties (Bratislava, Trnava, Trenčín, Nitra, Žilina, Banská Bystrica, Košice, and Prešov) and 79 districts (local offices were abolished). County and district offices were subordinated to the Ministry of the Interior, and carried out general and special administrative tasks; some functions of the state administration were taken over by the local governments and military district offices.

In 2001, the Regional Government Act, passed by the National Council of the Slovak Republic, established a system of regional government on the territory of Slovakia that consists of eight higher territorial entities (self-governing counties). Their names and territories coincide with those of preexisting counties. After the election of chairpersons and members of representative bodies of counties in December 2001, county authorities in Slovakia began their work. This entailed the gradual abolition of district offices, which was completed by January 2004. Likewise, pursuant to provisions of the constitution on self-government, more authority was to be shifted from state administration to local and regional self-governments.

As can be seen, the system of public administration after 1989 became rather unstable. Years of posttotalitarian reform efforts brought about significant changes in the system of central and local state administration and both are still evolving.

Slovak historians characterize the history of public administration in Slovakia as a constant struggle for supremacy between the state bureaucracy and representative democracy, represented by centralized state administration on the one hand, and regional and local self-governments on the other. The latter had already played a subordinate role in the Austrian-Hungarian monarchy and continued to do so in the first Czechoslovak Republic, the tug-of-war culminating in total state domination during the socialist era. (Bianchi 1971; Lipscher 1966; Lipták 1998).

The two-tier approach to public administration has been the root of all conflicts between the centralized state administration and local and regional self-government. It also attests to the conflict of interests. Both parties in the conflict strive to concentrate as much authority and resources in their hands as possible—in other words, as much power as possible. This short overview of the history of public administration on the territory of Slovakia shows clearly that this basic conflict and its outcome have, both in the distant and more recent past, substantially affected the development of public administration systems.

The main difficulty in the reform of public administration in Slovakia from 1990 onward has been the shift of authority and the concomitant shift of resources from the state administration to regional and local self-governments. The main objective of the ongoing process of posttotalitarian decentralization and destatization of public administration is more democracy in public affairs, the main idea being that the public interest is best served at the regional and local levels and, therefore, that this is where the authority belongs—in the hands of elected representatives of towns, communities and regions.

1.1.3 Contemporary Local Self-government in Slovakia

In the Slovak Republic there are at present 2,883 municipalities, of which 138 have city status. Two of the cities—Bratislava and Košice—have special status. The 1990 Act on the Capital of the Slovak Republic recognizes Bratislava as well its seventeen subdivisions as legal municipalities and Bratislava itself as the capital city of the Slovak Republic. The second largest city, Košice, has been granted special status by the Act on the City of Košice, as a municipality divided into four districts and 22 city subdivisions with their own self-governing bodies.

The system of local government in Slovakia is a highly decentralized structure, within which all settlements, even very small villages, possess municipal status. This has created serious impediments to the functioning of the system in terms of finances, human resources, and organization. In small communities, the lack of suitable candidates makes the establishment of local councils and the election of mayors quite difficult. A number of communities (even large ones) cannot afford to employ administrative staff for lack of funds, leaving the mayor to carry the entire burden of responsibilities. Financially starved small communities often employ and remunerate their mayors as part-time public officials, since they cannot afford the level of remuneration specified in the law. For similar reasons, the scope of services offered to the residents is rather limited. All this contributes to the complications that accompany the transfer of authority from the state to local government.

This predicament is the result of historical developments and recent social and political trends. After 1989, as a consequence of the establishment of local self-government, small communities reversed the earlier prevailing trend to amalgamate. Even communities that had been merged for some time strove to separate from the cities to which they were affiliated, under the illusion that self-government would better serve their interests and would be conducive to their further development.

As shown in Table 4.1, 40.9% of Slovak communities have fewer than 500 residents, 67.8% fewer than 1,000, and 92.2% fewer than 3,000.

The Municipality Act defines a community as an independent self-governed municipality and an administrative unit of the Slovak Republic. The community acts as a legal entity, independent in managing its resources and revenues within the limits defined by the law. The community is free to decide on and carry out all legal procedures concerning the administration of the municipality and its property as defined by the law. Some tasks of the state administration, such as running the local registry office or organizing polls within its electoral district, can be reassigned to the local self-government by a lawful procedure.

Table 4.1
Communities in Slovakia Ranked by Number of Residents

Size Category	Number of Communities and Cities	Proportion of Residents [%]	Average per Community
Under 500 residents	1,178	6.1	275
501–1,000	777	10.2	709
1,001–3,000	703	21.1	1,617
3,001–20,000	185	22.5	6,529
20,001–50,000	29	15.8	29,281
50,001–100,000	9	12.0	71,735
Over 100,000	2	12.3	332,065

SOURCE: Slovak Statistical Yearbook 2001.

Municipalities and municipal cities of the Slovak Republic can pursue joint activities, bound by specific contracts. Being corporate bodies, they can also found associations of municipalities, as well as both profit and nonprofit organizations.

Under the Act on Municipal Organization, municipalities can associate as legal entities for particular objectives: the delivery of social services, management of the environment, collection and disposal of communal solid and liquid waste, local transportation, the school system, the local cultural scene, tourism, and various other obligations of municipalities and municipal regions.

The most representative association of this kind in Slovakia is the Association of Towns and Communities of Slovakia (ZMOS), which has existed since 1990 and whose membership includes about 95% of Slovak municipalities. ZMOS represents the most important interest group of Slovak municipalities speaking up for their interests against the government, the parliament, and other central authorities of the state administration. ZMOS has now reached the status of an equal partner with the government and the state administration. Another association of this type is the Union of Slovak Towns, representing 43 cities and eight communities, with a status commensurate with its membership.

All together there are 57 regional associations of municipalities, the members of which are located in smaller regions defined by natural territorial units (most often the territories of former counties) and affiliated by virtue of their location, historical tradition, or by common economic interests. These associations are legal entities with charters and with representative and executive bodies. Their activities are funded through member contributions and various donations. However, because of the modest scope of their activities, their contribution to the life of municipalities has been rather marginal.

Within the leeway defined by the Act on Municipal Organization, municipalities can collaborate with other territorial or administrative bodies or with authorities of foreign states operating within the municipality. Slovak municipalities have the right to join international associations of territorial entities or territorial bodies. In spite of the gradual revival of joint activities of municipalities, their total volume is rather meager; only a small portion of Slovak municipalities has so far embraced them and they have barely penetrated into the sphere of activity of local self-governments.

1.1.4 Territorial and Administrative Subdivisions of the Slovak Republic

After the political transition of 1989, the existing system of public administration, based on tri-level national committees, was replaced by a new structure of public administration. A two-tier system of 38 district and 121 subdistrict offices of general and special state administration was established by the Ministry of the Interior according to the direction outlined in the government resolution of February 14, 1990.

The National Council Act on the Territorial and Administrative Subdivision of the Slovak Republic together with the Act on the Organization of the Local State Administration (both from 1996) provided the legal framework for the establishment of eight regions and 79 districts, with eight regional and 79 district offices as the basis of state administration.

With the passage of the National Council Act on Municipal Regions in 2001, a second, higher level of self-government was created—namely, the self-governing regions or territorial municipalities. The eight that were created (Bratislava, Trnava, Trenčín, Nitra, Žilina, Banská Bystrica, Košice, and Prešov self-governments) corresponded to the existing regions. The National Council also passed the Act on Elections to Municipal Regions. In December 2001, after regional governors and representatives were elected, the regional offices came into power. The first ballot of the regional elections attracted a very low voter turnout—a mere 26% of eligible voters. In seven regions the governors were elected by second ballot. Candidates for the post of regional representative were fielded by various coalitions of political parties. In the Trenčín region, the clear winner was the coalition HZDS–ĽS, claiming all available mandates. Out of the total of 401 mandates in the regional representative bodies, HZDS–ĽS won 191, SMK 84, and Smer 50 mandates.

The low voter turnout in the regional elections was interpreted as being the result of inadequate information on new positions and responsibilities in the newly created self-government regions, and on the prevailing skepticism about the benefits to be gained from their existence. Another reason for the disinterest of voters was the way the election campaign was run—purely on party principles. Voters had to cast their ballots by party preference and not by personal preference for individual candidates.

1.2 Internal Structure of Local Government

1.2.1 Local Government Elections in Slovakia

The Act on Local Government Elections regulates elections to municipal self-government bodies. Local polls, based on general, equal, and direct franchise are carried out by secret ballot. They are held on a simple majority basis in the case of mayors and lord mayors; a proportional system is used for election to local and city representative bodies. For election purposes, the municipalities are divided into wards equipped with multiple mandates, with the number of mandates proportional to the number of residents, but with no more than twelve mandates per ward. For the election of the mayor, each community forms a one-mandate election ward. Election wards in communities and cities are structured so that each contains about 1,000 voters.

For election to municipal self-government bodies, political parties and coalitions that are registered by the Ministry of the Interior may submit a list of candidates for each election ward. Independent candidates may stand for election on their own nomination, provided they attach a petition signed by at least 100 eligible voters in communities with more than 2,000 residents and by at least 50 in communities with fewer than 2,000 residents.

Political parties and independent candidates must bear the expenses incurred by their electoral campaign. The law mandates that candidates have equal access to the mass media during the electoral campaign and that all candidates have equal access to the local media. Municipalities are required to allocate space for campaign posters, so that each party and the independent candidates can access it on equal footing. Expenses incurred in the local representative elections and also those of mayor (lord mayor) are borne by the state budget of the Slovak Republic.

All citizens who are at least eighteen years of age by the day of the election and who are citizens residing within the electoral boundary have the right to vote and to be elected to self-government bodies. A citizen with the right to vote may be elected to the municipal council. A member of the municipal council may not be a judge, a prosecutor, or an investigator in the prosecutor's office, a member of police force or prison and justice guard, a staff member of the municipal office for which the candidate is running or its chief auditor, or the mayor (lord mayor). A citizen with the right to vote who is twenty-five years of age by the day of the election may run for the position of mayor or lord mayor. The office of mayor (lord mayor) is incompatible with the offices and positions listed above and, in addition, with the position of municipal employee, statutory representative of a community organization, governor of a self-government region (county), and high official in the state administration.

Local elections took place in October 1990, October 1994, December 1998, and December 2002. The turnout declined during that time from 63.75% to 49.51% of eligible

voters. Thus far, the local elections have shown that the majority of voters, at least in smaller communities, vote according to personal preference rather than by party affiliation. This finding has been corroborated by sociological research carried out in the 1990s, which revealed that the local political scene was shaped either by a party- or a civic-minded approach. Local politics is designated as “party-minded” when local party politicians receive direction from their party headquarters and engage in political in-fighting with other locally represented parties (or party coalitions). However, when local politics are characterized by the search for solutions to local problems and are not dominated by issues of party politics and targets, then the local politics is considered to be “civic-minded.” Research into this problem showed that in the first half of the 1990s, party-minded local politics prevailed in most municipalities and cities of the Slovak Republic, whereas civic-minded politics dominated in the more numerous, smaller communities (Malíková 1997; Sopóci 1995).

1.2.2 Communal Services

The Municipality Act obliges municipalities to provide the following services:

- Operation of public lighting;
- Cleaning and maintenance of public roads;
- Maintenance of the public green and cemeteries;
- Collection, transport, and disposal of communal waste;
- Management of cultural, sports, and other communal facilities; and
- Consumer protection.

In fulfilling these responsibilities, communities and cities can a) perform the services directly by delegating them to their own subsidized and budgetary organizations, or b) hire companies for this purpose, often jointly owned joint stock and limited liability companies. Citizens pay for the services either directly in the form of fees or indirectly through taxes.

Public lighting is the sole responsibility of communities and cities, and is paid for from their budgets. Maintenance of lighting is usually in the hands of limited liability companies, co-owned by cities and communities.

The cleaning and maintenance of public roads are paid for indirectly by the road tax and partly from local taxes; further funds may be collected at local parking lots. The cleaning and maintenance of public roads is most often handled by community- or city-owned budgetary or subsidized organizations, or by limited liability companies, with which cities and communities are business partners.

The Municipality Act also decrees that cities and communities take care of public transportation. Five cities assume this responsibility directly: Bratislava, Košice, Prešov,

Žilina, and Banská Bystrica. In 53 other cities, public transportation is provided by the Slovak bus transport company and in all other cities and communities there is no public transport. Public transport companies are subsidized from the state budget.

The cost of maintenance of public greens and cemeteries is covered by the municipal budgets. Additional financing for these services comes from grave and burial fees and from fees for renting public facilities. As in the case of public roads, the municipalities provide these services through community- or city-owned budgetary or subsidized organizations, or through limited liability companies, with which cities and communities are business partners.

The collection, transport, and disposal of communal waste is also carried out by community- or city-owned budgetary or subsidized organizations, or by limited liability companies, in which cities and communities are business partner. The waste disposal is financed by fees and fines collected from waste producers and by state subsidies from the Recycling Fund.

As a rule, cities and communities manage their cultural and sports facilities by means of their own budgetary or subsidized organizations. The financing comes mainly from rental and admission fees, supplemented by contributions from the communal budgets. The educational and schooling facilities (nurseries, kindergartens, elementary schools, after-school centers, and elementary art schools) have been administered by communities since 2002. The management of health care facilities (outpatient clinics, polyclinics, and smaller hospitals) and social service facilities (retirement homes, nursing homes, and hospices, etc.), has been transferred over to communities and cities from the state. The process was completed by 2004; during the transition, the operation of these facilities was financed from the state budget, via communities and cities.

Communities and cities have also taken over responsibility for consumer protection by issuing binding regulations and setting business hours both in shops and service centers. Communities and cities oversee this area and can impose fines for misdemeanors, thus supplementing their budgets. The registration of births and deaths, along with the issuing of various certificates, permits, and documents are additional community services that were previously provided by the state administration. These services are financed through both fees and community budgets. The local police force, which maintains public order, is also financed by the municipality.

1.2.3 The Main Players in Local Self-government

Communities are administered by their citizens through elected councils and the village or city mayor or lord mayor. These representatives are chosen by direct public election. Public polling (referenda) and public meetings are additional means of citizen participation at the local level.

In the Slovak Republic a terminological distinction is made between community and city self-governments. The most numerous are community self-governments (in villages) consisting of a body of elected representatives (council) and the community leader (mayor), whereas the city government consists of a city board and the lord mayor. The two biggest cities, Bratislava and Košice, are legally municipalities and are governed by city boards headed by mayors. Their districts are also self-governing communities, administered by local councils and mayors. Bratislava consists of five districts (seats of district offices) and 17 self-governed city sections; Košice has four districts and 22 city sections with their own municipal councils.

The community or city council consists of deputies elected by local residents for a four-year term. The board meets as often as necessary, but at least once every two months. The meetings are organized and hosted by the mayor. The local board deliberates and makes decisions, as long as the quorum has been met (a simple majority for resolutions and three-fifths for an ordinance). If the necessary quorum is not reached, the mayor must call another meeting within fourteen days. The deliberations of the local board are always public; however, a session may be declared closed if the matters to be discussed are classified information under the law. Resolutions and ordinances passed by the board must be signed by the mayor not later than ten days after approval.

The boards oversee and make decisions on all the basic aspects of community or city life: the management of communal property; the budget and general financial management; the development of the community (city) land; local taxes and tariffs; local ordinances; the organization of polls on important issues of community life (referenda); the calling of public meetings; agreements and contracts with other communities or cities; participation in domestic and international organizations; the founding or disbanding of local authorities required by local self-government (boards and commissions); the municipal structure; the mayor's and chief auditor's salaries; and the founding, controlling, and disbanding of budgetary and subsidized organizations.

City councils can call up and dissolve the community board at any time; the board is staffed by members of the council who have been nominated by the council. The community (city) board is an executive and supervisory body, expected to act in an enterprising manner. It carries out assignments decided on by the local councils and acts as a consulting body for the mayor, who hosts the board meetings. The board can set up either permanent or interim commissions as consulting, initiating, and control bodies, staffed by members of local council and other persons nominated by the board.

The mayors and lord mayors are the representatives and the highest executive officials of their respective communities. The office of mayor is a public office with a four-year term, which ends with the swearing-in of the new mayor. The mayor summons the local council (board), chairs its meetings, signs the passed resolutions, carries out local administration tasks, represents the municipality in dealings with the state administration and other corporate and physical bodies, and decides on administrative matters other

than those assigned to local council by law or by community statute. The mayor acts as a statutory body in legal, property, and labor relations; the mayor's office is a local administrative authority.

When the mayor is absent or incapacitated, his or her duties are taken over by the deputy mayor, who is selected from the local council at the suggestion of the mayor and approved by ballot for the entire term of office. The local council can also recall the deputy mayor at any time. Following the mayor's proposal, the local council determines and approves the scope of responsibilities of the deputy mayor.

The municipal office, headed by the mayor, is the executive body of council in charge of organizational and administrative matters. In the more populated communities and cities, the offices may be headed by a chief administrative officer. If such a position has been created, the chief officer is the highest executive officer, appointed and recalled by the mayor.

The local representative body also appoints a chief auditor. Candidates for the job must not be members of the local board or community or city employees with other responsibilities. The auditor is elected or appointed and recalled by the local council for a six-year term, after which time the contract is terminated. As an employee, the auditor is accountable to the local council and oversees local finances, accounts, and the management of assets, including those of budgetary organizations founded by the community or city. He or she attends meetings of the local board in an advisory capacity. In matters concerning the management of resources allocated from the state budget, the auditor cooperates with the state administration.

To summarize, residents in Slovakia participate directly in local self-government. They can vote and be elected to representative bodies. They can also engage in the decision-making process by voting in local referenda, taking an active part in public meetings, attending meetings of the local council, and submitting suggestions and complaints.

1.3 The Indicator Project in Slovakia

The survey in Slovakia took place between March 1 and May 30, 2003. Data gathering was realized shortly after the elections to local governments in December 6–7, 2002.

Sampling Method

We have applied the method of sampling used by the Tocqueville Research Center in the framework of the ILDGP.

The population of all 2,922 local governments in Slovak Republic, as well as the list of all local representatives was provided by ZMOS (Association of Towns and Communities of Slovakia).

Based on the equation developed by Tamás Rudas (Soós, Tóka, and Wright 2002, 448–449), we have selected a random sample of 700 municipalities as the initial sample for the LGS, representative with respect to size distribution and population of municipalities. (Following the suggested rules, all localities with a population larger than 3,000 inhabitants were included.)

The subsample of 210 municipalities was drawn from the LGS sample for the LRS survey. All local representatives and mayors from these selected local governments were included in the sample of the LRS. The size of the initial sample for the LRS was 2,012 respondents.

Questionnaires

Two types of questionnaire were distributed: one for the Chief Administrative Officer (CAO) in each of the 700 selected municipalities in the Local Government Survey (LGS) and the other for the local representatives—the Local Representative Survey (LRS).

Survey Implementation

Four subsequent contacts with respondents were applied:

On March 7, 2003 a short pre-notice letter signed by the President of the Association of Towns and Communities of Slovakia was mailed to the mayors of all 700 municipalities.

About a week later (on March 12, 2003), packages containing a cover letter signed by Ján Sopóci as the country representative, questionnaire(s), and return envelope(s) were mailed to the municipalities. On April 30, 2003, a reminder letter was sent to all municipalities with a response rate below 50%.

During the week from May 19 to May 23 telephone contacts were made with those from 413 municipalities where the LGS questionnaires were returned. The main purpose was to increase the number of LGS–LRS matched responses. In the necessary cases the replacement questionnaires were sent.

All local representatives and chief administrative officials were contacted by the municipality offices.

Response Rate

After the last contact, 413 of 700 LGS questionnaires were received and 896 of 2,012 LRS questionnaires. The number of municipalities from which we received both LGS and LRS questionnaires was 84.

The final response rate was 59% for the LGS and 44.8% for the LRS.

Further Comments

The mailing method used in the survey provided a response rate of 51.9%, which is considered relatively high. In our view, one of the main reasons was the idea of cooperation with the local government association. The fact that the pre-notice letter was formulated and signed by the professional sponsor put more importance on it. Thanks to this, the survey was taken by respondents as a municipality organization matter instead as one of “some other investigation.”

The response rates disaggregated by municipality size (0–999, 1,000–4,999, over 5,000) do not differ in the LGS samples (60%, 57%, 60%). In the LRS sample, local representatives in the biggest villages and cities are less likely to respond (50%, 46%, 38%).

2. AUTONOMOUS LOCAL GOVERNMENT

2.1 Legal Autonomy

At present, the relationship between the state and municipalities is characterized by the following principles:

- The scope of municipal activities is defined by the state, on the basis of the constitution, laws, and international agreements signed by the state;
- The decentralization process continues to be implemented, through the transfer of competencies from the state to the municipal level of administration;
- Defined areas of municipal activities are under the supervision (control) of the pertinent state organs; and
- The state administration and self-governed municipalities display mutual cooperation and engage in common activities.

According to the constitution, the municipality is the basis of territorial self-government in Slovakia. Constitutional guarantees of municipal autonomy include the following:

- A municipality is an independent territorial self-governing unit of the SR;
- As a legal entity, a municipality manages its own property and financial assets independently, under conditions defined by law;
- A municipality carries out its self-governing functions within the scope defined by law, without state interference, except where such state interference has been decreed by law or the need arises as a consequence of international agreements signed by the SR;
- A municipality has the right to merge or associate with other municipalities, to subdivide into several municipalities, as well as the right to abolish itself; and
- It has the right, by law, to issue generally binding regulations in matters concerning self-government and the specific tasks of self-government.

Thus, municipalities have the constitutional right to make independent decisions within their scope of competence; other limitations and duties can be imposed only by way of a lawful procedure.

The legal competencies of a municipality are of two sorts: parent (own) competencies and those that have been transferred to the municipal administration from the state. The self-government functions are mainly administrative, financial, and founding functions. The National Council Act on the Organization of Local Self-government vests considerable executive powers in the municipal bodies, which have the full right to decide and execute all transactions concerning the administration of the communities/cities and their assets. The act lists the following legal functions of communities and cities:

- To manage funds and properties of the community (city), as well as state property for which the state has transferred the right of use;
- To create and approve the budget and final accounts of the municipality and to decide on and administer local taxes and tariffs;
- To regulate economic activities in the municipality and to issue approvals and binding opinions on business and the activities of businesses, legal entities, and natural persons on the location of business premises on the territory of the municipality, and to issue building licenses and binding opinions concerning investments in the community (city);
- To carry out construction and maintenance work and administer local roads, public areas, local (city) cemeteries, cultural, sports, and other communal facilities, monuments, landmarks, and memorials;
- To provide public utilities, mainly the disposal of communal and petty construction waste, the cleaning of public places, the maintenance of public green places and lighting, and the management of the water supply, waste water, and public transportation;

- To create and preserve healthy living and working conditions for the residents and to protect the environment;
- To create the underpinnings of a functioning health care system by founding ambulatory care and local health centers and hospitals;
- To manage local educational facilities (kindergartens, elementary schools, and their lunchrooms, elementary art schools, school clubs, free time centers, etc.), cultural and educational facilities (museums, galleries, theatres, and public libraries), and facilities for pursuing artistic and sports activities;
- To participate in customer protection, to support the transport and distribution of supplies, to regulate business hours in shops and public services, and to manage market places;
- To arrange and approve development plans for residential areas and zones, to draw up plans for the development of community facilities and housing development programs, and to facilitate the creation of healthy living conditions;
- To pursue their own investment and business activity towards satisfying the needs of the residents, including support of public housing and communal development;
- To found, establish, dissolve, and control their budgetary and semi-budgetary organizations, as well as other legal entities and institutions;
- To organize local polls on important issues of communal life and development;
- To take care of public order, public defence, and fire protection of the residents; to issue ordinances, tolerating on a temporary basis activities otherwise forbidden or restricted in time or place;
- To preserve and maintain cultural and natural assets;
- To participate in the social care system (day care service, seniors' homes, etc.) and to certify legal documents and signatures; and
- To keep local historical records in vernacular and in minority languages.

In addition, municipalities carry out some tasks that the state administration has transferred to them, such as the registration of births, the organization of parliamentary elections, etc. The state allocates the necessary funds and other resources for such tasks.

Both the constitution and the Municipality Act allow municipalities to base their local economy on their own financial resources and to use them freely within the scope of their competence. Municipalities acquire funding mainly from own revenue, state subsidies, and other alternative resources. When municipalities are lacking in own funds, state subsidies are made available for the funding of development programs and tasks prioritized by the state. State subsidies are purpose-bound and must be used under the conditions stipulated by the ministry in charge. Use of such funds is supervised by the

relevant state organs. Municipalities can also use funds jointly with other municipalities, self-governing regions, or natural persons.

The constitution defines a municipality as a corporate entity with the right to hold property. The Municipal Property Act decrees the scope of municipal property and the manner of its management. In sorting out its management procedure, the local council is constrained by the scope of this act as well as other laws concerning property management.

The municipality independently operates its own budget, which is approved by the local council. Municipal budgets are an independent part of the state budget of the Slovak Republic. However, they constitute an integral part of the public funds of the SR; their preparation and approval are therefore a public matter, administered by the pertinent legislation of the SR (Budgetary Rules Act, Bookkeeping Act, Auditor Act) and are subject to control by an independent auditor or, in case of state subsidies, by the Supreme Control Council of the SR. The lawfulness of procedures in this area is generally monitored by the Office of the Attorney General of the SR.

The constitution and the Municipality Act entitle municipalities to issue regulations concerning territorial self-government (generally binding regulations as well as their own legislation), which define the powers of municipalities in a more detailed manner. Both the constitution and the Municipality Act distinguish between two types of municipal regulation:

1. Generally binding municipal regulations concerning self-government (these must conform to the constitution, to legislation, and to international treaties signed by the SR); and
2. Generally binding municipal regulations concerning state administration tasks that became the responsibility of municipality by law must conform to the constitution, to legislation, and to international treaties of the SR, as well as to government regulations, statutes of the ministries, and other central state administration offices.

The local council approves such generally binding regulations by a three-fifths majority vote of councilors present; the lawfulness of regulations may be examined and contested by the prosecutor. In cases where a law has been broken, the prosecutor lodges a protest with the municipality and proceeds pursuant to the Prosecution Act. The Constitutional Court of Justice of the Slovak Republic rules on the harmony of generally binding municipal regulations with the Constitution of the SR, other Slovak legislation, and international agreements, unless the matter was ruled on by another court. Controversial regulations or their parts become invalid on the day the ruling of the Constitutional Court of Justice has been published in the Collection of laws.

As has already been mentioned, strict adherence to laws and to generally binding legal regulations (mainly regulations pertaining to administrative procedures) by the

organs of local self-government has been ensured by the office of public prosecution. The prosecutor is entitled to examine whether the procedures or decisions of municipal organs have contravened the law and, if so, to demand correction by pointing out or lodging a protest against the unlawfulness of the binding regulations, council decision, or other acts. The district office is the first instance appeal authority in the case of municipal decisions and the second is the regional office of the state administration. The communities and cities are supervised by the other state institutions, mainly central institutions such as the Supreme Control Office of the SR in the scope specified by particular laws and regulations.

Functions of the state administration that were transferred to local self-governments are controlled and administered by the government of the Slovak Republic. Should a community or city seriously (for at least six months) neglect its duties pertinent to functions turned over by the state, the regional (county) office tries to prod it into action by issuing a writ and setting a deadline. If no action is taken by the deadline, the local state administration is authorized to proceed according to specific regulations.

The state and local administration in the SR have been strictly separated by legislation enacted in 1990. As legal amendments gradually came into force during the second half of the 1990s, more and more competencies were transferred to local governments. The aim of the transfer—pursuant to the European Municipal Charter, approved by the Slovak parliament—was to put the responsibility for local matters into the hands of organs closest to the citizens. The principle of decentralization of power is also supported in the Slovak constitution, which enables (Art. 71) the transfer of tasks of the local state administration to local self-governments. Thus, while the transfer of competencies during the 1990s proceeded very slowly (mainly owing to the reluctance of both central and local state administration to relinquish their competencies and the power to control the funds for public administration), starting in 1998 and mainly after 2002, responsibilities over wide areas of public service came to be administered by local governments (elementary schools, pre-school facilities, and many other areas of public administration).

The transfer of competencies proceeded gradually in Slovakia, in tandem with the actual reforms of the system of local state administration. The establishment of self-government regions and the abolition of district offices of the state administration, completed in 2004, initiated another phase in the transfer of competencies over to the regional and local self-governments. Numerous units of local government, mainly in smaller municipalities, are at present ill-equipped in terms of personnel, as well as logistically and financially, to assume responsibility for all of the competencies, especially for running social care institutions, elementary schools, smaller health care institutions, etc. In discussions about this during 2002-03, some representatives (mainly mayors, lord mayors, and representatives from the Association of Towns and Villages) vented their concerns about the impropriety of such a massive transfer of competencies (especially health care and the elementary education system) and the inability of municipalities to adequately secure these services.

In the transfer process, local self-governments not only take over the relevant legislation, but also the pertinent executive regulations. For instance, competencies in general public administration (e.g., construction, real estate cadastre, and the issuing of various permits and licenses) engender fees that form the municipal revenue, but the limits on how high they can be have been set by the state or the ministry of finance. Similarly, when local councils approve a system of pay scales for their employees, they must heed government-issued regulations on the remuneration of public service employees.

Other important forms of cooperation have resulted from the existing legislation in the area of state and local administration. The state administration agencies are obliged to provide professional help to the local administrations on how to apply legal regulations and supply the required data from their records. They must also assist them in matters of bookkeeping and contribute to the training of local administrative staff and councilors. On the other hand, the agencies of the local administration must supply the central state administration with data required for record-keeping, assist them in finding premises for state agencies active on their territory, assist in criminal prosecutions, allow supervision over the management of funds provided to municipalities by the state, and inform on the result of the annual audit of municipal operations by an independent auditor (member of the Slovak Board of Auditors). A municipal region has the authority to point out any problems it discovers in the course of its supervisory activity, while municipalities furnish the regional office and the Slovak Statistical Office with all data pertinent to the management of the municipality.

Certain characteristics of local self-government in Slovakia derive from the way local autonomy has been created “from above,” i.e., by the highest offices of the state administration in such a way as to leave as much power as possible in the hands of the central administration, including the power to control local self-governments. In the course of the transfer of competencies, however, this tug of war has gradually shifted in favor of local administrations, strengthening the legal autonomy of local self-governments and fostering cooperation and coordination between the state administration and the municipalities.

2.2 Fiscal Autonomy

According to the views expressed by the representatives of the Association of Slovak Communities and Cities (Sýkora 2002, 2003) and also by the majority of mayors and city mayors (Malíková 1997; Sopóci 1995), the single biggest obstacle to municipal autonomy and the proper functioning of local governments in Slovakia is their insufficient financial autonomy. This has been the case from the beginning of self-government to the present day. Some of the obstacles that have interfered with strengthening the fiscal autonomy of municipalities are:

- Inadequate internal funding sources;
- Excessive dependence on external sources, mainly transfers from the state budget, which do not seem to follow any clear and stable rules;
- Specific, purpose-bound state subsidies that restrict the autonomy of self-government; and
- Ongoing decentralization of inadequately funded responsibilities, especially those competencies that tax the financial resources of local self-governments the most.

The Municipal Act mandates that communities and cities fund their needs from:

- Own revenue (from municipal property and property made available for communal use, local taxes and fees, tax-share taxes collected by the state, and fines and other income);
- State subsidies (endowments and transfers from the state budget and state funds, purpose-bound donations, etc.); and
- Other sources such as donations and yields of voluntary collections, grants, loans, subsidies from regional authorities, resources used jointly with other municipalities, and financial funds coming from outside the budget.

These revenues form the basis of the financial management of municipalities during a calendar year. The budget contains revenues and expenditures pertinent to self-government, financial links to the state budget, to the budgets of relevant municipal regions, and to juridical and natural persons. The municipal budget is approved by the council, after the residents have been given an opportunity to make suggestions and comments. The same rules apply to the annual financial statement, which must be verified by an auditor.

The reason why municipalities suffer a perpetual lack of funds lies in the fact that the standing legislation and particularly that regulating the funding of local self-government (the Municipal Property Act, the Accounting Rules Act, and tax laws) restrains municipalities in their efforts to accrue the resources necessary to adequately cover all their expenses and costs.

The income generated by own resources of Slovak communities and cities does not form the decisive part of their budget. This is because municipalities were stripped of their most lucrative property—local businesses—by the National Council Act on Community Assets of 1991; only the public utility establishments were left with the municipalities. Thus, the typical assets of Slovak municipalities are real estate consisting of administration and school buildings, social, health care, sports, and other public facilities, and sometimes the production premises of former business facilities of national committees. In other words, the municipalities lost the substance needed for business

activities pursued by municipalities prior to 1948. Their revenue has become limited to their share in local taxes and tariffs, which is why the current income of municipalities consists mainly of revenue collection.

At present, taxes amount to about one-third of the total income of communities. The Municipality Act defines these as revenue gained from own sources, which consist of the due share of state taxes and the revenue from local taxes and tariffs.

The amount of the tax share from the state administration is determined annually by the State Budget Act. The communities thus obtain a share from the taxes of physical and legal entities and from the road tax. The conditions and a legislative mechanism for calculating the proportion of taxes appropriated for municipalities has not yet been agreed on and remains the subject of annual bargaining between the government and the parliament during the passing of the state budget bill. Communities and cities take an active part in the bargaining, mainly through their representatives in the Association of Towns and Communities of Slovakia and other representatives, in an effort to gain the biggest share of the state taxes.

During the last few years, the municipal share of state-collected taxes has been 7%–10%. The share municipalities obtain from taxes collected from physical entities was 10%–15%. The lump sum thus obtained has been proportionately divided on the per capita principle. The tax share from taxes of legal entities was only 4%–6%, divided as follows: 60% according to the per capita principle and 40% according to the seat of the taxpayer. Road tax revenue has been divided as follows: 60% goes to the state budget and 40% to the municipal budget (with the exception of the cities of Bratislava and Košice, where the proportions are reversed).

The constitution also defines local taxes as community resources. Legally, however, these taxes have not yet been made part of the state tax system and are thus not a community resource. Legalization of local taxes would bring to the communities an important financial source and would make them more independent from the external sources.

The only legalized part of local taxes is the real estate tax. The communities prescribe the real estate tax in accordance with the pertinent legislation (mainly the Act on Administration of Taxes and Fees and on Changes in the System of Territorial Financial Authorities), taking into account their own needs. The particular conditions of collection and administration of the real estate tax communities specifies the annually approved general binding order. The collected real estate tax enters the community budget. Incomes from these taxes are 10%–12% of the municipal budgets (see Appendix 1).

Local fees are legal payments that communities specify pursuant to the Local Fee Act in their general binding orders. The following local fees are collected: for the use of public places, for using apartments or parts of an apartment for purposes other than residence, for renting rooms, the recreation or health resort fee, the dog fee, entrance fees, the liquor and tobacco sales fee, a car entrance fee for the historical parts of cities,

an advertising fee, game machine fees, vending machine fees, a fee collected for placing nuclear equipment within the territory of the community (in case the community or part of it finds itself in the danger zone), and fees for the collection, transport, and disposal of communal and petty building waste generated within the municipality's territory. Income from these taxes is from 4% to 10% of municipalities' budgets.

An important source of community revenue consists of subsidies and transfers from the state budget, from specific programs managed by the ministries and from state funds. The state budget appropriates (in a special chapter) funds for the administration of municipal functions of communities with up to 3,000 inhabitants, subsidies for local transportation, funds for finishing school buildings under construction, subsidies for individual needs arising from the self-government status, a decentralization subsidy for functions and duties taken over from the state administration, as well as subsidies for other purposes envisioned by the government policy. To the extent that the state budget can accommodate the expense, ministries and state funds can appropriate funds, both repayable and non-repayable, e.g., for environmental protection, for support of youth sports and educational activities, housing support etc. Subsidies from the state budget may be allocated to development programs and activities preferred by the state policies. Likewise, the government has allocated standard subsidies to municipalities that have insufficient revenues to perform their functions properly. The distribution of these sources among the municipalities is decided by the ministries and the state funds. Transfers and subsidies are about 35% of the municipal budgets.

Of the other municipal revenues not related to the state budget, the most important are:

- loans;
- revenue from administrative fees collected for permits, certificates, and licenses;
- income earned by business activities including dividends, levies, and profit-sharing in trade companies with municipal participation;
- income from state organizations,
- income from loans and deposits, domestic and foreign grants;
- revenue from financial operations, sales of movable assets, and sales of shares; and
- repayment of granted loans and credits.

In addition, municipalities can muster further resources such as those used jointly with other municipalities and other physical and legal entities, as well as funds obtained from non-budgetary sources; they can also make bids for pre-accession funds allocated by the European Union and funds distributed by international associations, provided they can draft adequate, competitive projects. So far, such projects have been drafted (and funds obtained) by only a few dozen Slovak municipalities.

Credits and municipal bonds are also sources of municipal funds. These can only be used to cover capital needs without causing a budget imbalance in the current fiscal year. The Act on Budgetary Rules forbids municipalities to guarantee loans from the proportional state taxes for subjects that are neither founders nor institutors.

In order to illustrate the financing of municipalities more fully, we should add that municipal budgets, in total, comprise only 10%–15% of the state budget. This balance is continuously shifting as more competence is transferred from the state to the municipal administration. In spite of this, the SR is behind Hungary, Poland, and Denmark, where municipal budgets form 25%, 20%, and 40% of the state budgets respectively (Nižňanský, Kling 2001).

Table 4.2

State and Municipal Budget Expenditures [Billions of Slovak Crowns]

Indicator	1991	1995	2000
State budget expenditures	127.1	171.4	240.8
Municipal expenditures	14.3	18.9	27.3

SOURCE: Slovak Statistical Yearbook, 2001.

The gradual transfer of ever more competence from the local state administration to municipalities pushes the idea of broad local government to its completion, the final goal being a local self-government equipped with a wide scope of powers and duties, with which it should serve the citizen. The competence shift came about in a piecemeal manner, driven by reforms of the local state administration. One of the most significant steps towards strengthening local government occurred in 2001 with the creation of the municipal regions, with the concomitant shift of powers from the local state administration to regional municipal offices. The responsibilities taken over by the regional offices require sound financial and organizational background. The shifting of competence has brought elementary schools, social institutions, smaller health care, and some cultural institutions into the care of local governments, whereas high schools, larger health care, and some cultural institutions will be administrated by the municipal regions. Funding of these public institutions comes both from local (regional) governments and from the state administration. Thus, the wages of elementary school staff and the school's energy bills, for example, are covered by the state administration, while other expenses and expenditures are covered by the budget of the local government or (when the local government has run out of funds) by contributions from parents and sponsors.

Ever since the revival of local self-government, adequate funding has been one of its most pressing problems. Partly, this has been generated by the wording of the pertinent laws, which forbade local government participation in privatization and allocated far too small a portion of collected revenue to the disposal of local government. Local

governments, starved for funds, inevitably became financially dependent on the state administration and increasingly dependent on alternative financial resources. Efforts to provide adequate funding for local government were disrupted by frequent legislative changes, such as amendments to the taxation scheme, reforms of the system of public funding, and organizational changes within the state administration and local self-government. The instability caused by the above changes, the inability of the state administration to eliminate large tax evasions, and the general trends in the Slovak economy, such as high inflation and other effects—all have had a detrimental effect on the performance of local self-government.

In general, although the total expenditure of local government in the last twelve years grew nominally, when adjusted for inflation, it stagnated or even decreased somewhat. As a result, local government was unable to maintain the required level of performance.

The above trend does not mean that all local governments are necessarily in the same situation. Their results depended on variable factors, mainly size and place (in Slovakia there are regions that differ markedly in their economic prosperity) and the capabilities of their representatives. As a result, the income and expenditures of Slovak municipalities vary widely.

The endeavor to improve the performance of local governments has so far been rather ineffective in mitigating the gaping differences among municipalities, as this was not the primary objective. State subsidies were mainly deployed to secure the basic functions of local governments in smaller communities or to alleviate pressing local problems. The redistribution of proportional tax shares was used to alleviate the differences in financial standing of small municipalities. Some cities tried to improve their financial standing by issuing bonds and some communities and cities took loans, mainly from the First Communal Bank. The cumulative debt of municipalities reached 12,965 million Slovak crowns by the year 2000.

Table 4.3

Trends in Indebtedness of Local Self-governments [Billions of Slovak Crowns]

Year	1997	1998	1999	2000	2001
Amount of debt	6,949	9,240	10,589	12,261	12,727

SOURCE: Slovak Statistical Yearbook, 2001.

The financial autonomy of Slovak municipalities thus remains one of the most important unresolved issues of municipal autonomy and of its operability. The core of the problem lies in the inability of municipalities to secure adequate income from their own resources and hence their overt dependence on external resources, mainly those provided by the state (through redistribution of state funds and loans). The current legal status of municipalities in Slovakia is partly to blame for this. The ongoing transfer

of competencies from the state to the municipalities further aggravates the financial standing of municipalities.

2.3 Political Autonomy

Slovak political parties have yet to finish their process of crystallization and stabilization. The ongoing process of profiling and reprofiling of parties, the various party mergers and splits into factions and even into new parties, and the continuing creation of new parties are some of the reasons why many authors do not consider the Slovak party system sufficiently stable and expect further changes (Kubín 2002; Mesežnikov 2001; Szomolányi 1999).

Local party representatives often show little flexibility in pursuing their party policies, adhering strictly to party ideology and central party directives and causing frequent conflicts in the local representative bodies. The parties with the highest profiles are the Christian-democratic Movement (KDH), the Slovak Communist Party (KSS), the Alliance of the New Citizen (ANO), the Slovak National Party (SNS), and the Party of Hungarian Coalition (SMK). Most conflicts both at the parliamentary and the local level arise among the representatives of these parties (Mesežnikov and Nižňanský 2002).

With their due share of local autonomy, the local branch offices of political parties pursue the party program, operate according to party rules, and are directed or coordinated by party central offices. The parties differ, of course, in the degree of autonomy they allow to their branch offices. But generally, the branch offices of political parties in Slovakia pursue the party program approved by their party conference, convention, or congress (Mesežnikov 1999, 2001). This explains why local politics, especially in larger communities and in cities where there are branches of several parties, are essentially the same as on the parliamentary and government levels.

There is, however, a special feature of local politics in Slovakia that differentiates it from parliamentary politics. At the local level, party coalitions often form among parties that oppose each other at the parliamentary level. Political analysts account for this phenomenon by assuming, on the one hand, that at the local level common local goals elicit joint efforts even in different political camps and, on the other hand, that it is the result of the lack of political maturity of Slovak political parties and their members (Krivý 1999; Mesežnikov and Nižňanský 2002). In municipalities with less than 500 (or 1,000) inhabitants—proportionally 40% (or 68%) of all municipalities—the party local branch very often does not exist at all, or there are only one or two branches. The local representatives, therefore, tend to pay more attention to the needs and problems of their own municipalities.

During both terms of the Mečiar government, but mainly from 1994 to 1998, political clientelism and corruption strengthened and became widespread (Sopóci

2002b), also pervading other walks of life and surviving to this day. The funding of municipalities also became part of the game, as funding was influenced by party politics. Thus, municipalities having at their helm mayors, lord mayors, and councilors affiliated with the government coalition and allied parties were given precedence in the distribution of subsidies. (The Municipality Act stipulated that the positions of mayor or lord mayor were compatible with those of the deputy of the National Council or the Regional council.) Moreover, local councilors were allowed to hold concurrent positions in the state and public service, the positions of judge and attorney being the sole exceptions. The most notorious case demonstrating this point was the state subsidy allowed to the city of Žilina for the large-scale reconstruction of public transportation, solely because the lord mayor, Ján Slota, had also been the chairman of the coalition, the Slovak National Party. Another case concerned moving the seats of several national offices and that of the Bank of Slovakia to Banská Bystrica, a city dominated by the ruling HZDS movement. HZDS also used subsidies, loans, and various economic measures to favor another “center”—the city of Trenčín and several other cities. By the same token, cities dominated by representatives affiliated with the opposition parties were handicapped by the government (Mesežnikov and Ivantyšyn 1999).

As a consequence of such policies, in each election term there were some 20 to 30 deputies, officers of the state, and other top party representatives who succeeded in running concurrently for the office of mayor, lord mayor, or councilor of a local or city council. The most conspicuous example was again the lord mayor of Žilina, Ján Slota, who was also chairman of the Slovak National Party and deputy of the Slovak National Council.

This practice has continued to this day, with many mayors or local representatives occupying concurrent positions in the highest legislative and executive organs of the SR. For example, the city mayor of Komárno, Tibor Bastrňák (SMK), also sits in the parliament, the National Council of the SR; the mayor of the city district of Bratislava, Rača Pavol Bielik (SDKÚ–KDH–SZS), serves concurrently as the vice-chairman of the Bratislava self-government region; the mayor of the village of Čenkovce, József Kvarda (SMK), serves as state secretary of the Ministry of Culture of the SR; and the city mayor of Trenčín, Juraj Liška (SDKÚ), is an MP.

Any mayor or city mayor who also occupies a position in the highest state organs is an asset to the community, since he or she can guarantee preferential treatment and more chances to get subsidies from the government, its ministries, or from other central institutions. Conversely, the overlap of central and local politics at the personal level can also affect local politics, albeit its effect should not be overestimated. In 1998, the governing coalition (HZDS–SNS–ZRS) was defeated in both the parliamentary and the municipal elections, even in communities that had been dominated from 1994 to 1998 by representatives with the same party affiliation and enjoying the perquisites of the above dual-position system.

Hence, the political autonomy of local governments in larger communities and in cities has been limited by the fact that the local offices of political parties carry out their party politics, transferring the plague of political clientelism to the municipal level and affecting the ultimate success of municipalities in some of their self-government tasks. At the same time, parties that oppose each other in the National Council form successful new coalitions and alliances at the municipal level. In small municipalities, where political life has remained somewhat vestigial, there have been virtually no problems with political autonomy.

2.4 Conclusion

The return of local self-government in 1990 unquestionably brought about the democratization of political and public life in Slovak communities and cities. Public administration reform, mainly involving decentralization, has yet to be completed. The reform process is currently in its last phase, in which the posttotalitarian rivalry between the state and local administration has become somewhat settled, giving the system of public administration in Slovakia some stability, albeit temporary.

The broad range of legally mandated powers of local self-governments has gradually come to life, at the same time narrowing the elbowroom of the state administration. This process, which began in 1990, has been slowed down by the tendency of state administration officials (and politicians, including political nominees in the central offices of the state administration) to keep as much power and hold sway over as much of the financial resources as possible. On the other side, the problem is exacerbated by the unpreparedness, unwillingness, and inability of the staff of local self-government to cope with new tasks transferred to them. As a result, local self-government is often plagued by bad management, a growing indebtedness of municipalities, poor service to citizens, and complacency about their views and needs. Not surprisingly, there are cases where the local self-government serves its citizens worse than the former state administration.

We have yet to reach the end of the road to legal and financial autonomy of self-governed communities and cities of the Slovak republic. On the positive side, decentralization of the state administration has progressed satisfactorily as far as its legal underpinnings are concerned (mainly laws, less so with respect to the operating regulations). However, the implementation of new legislation remains a problem area—a fact for which the representatives of the state administration take the greatest part of the blame, along with local representatives.

Law enforcement remains a problem, leaving much to be desired both on the part of the state administration and the local self-government. Since it is still a feature of Slovak politics to have individuals occupying high positions in both the state and party administrations, and also positions in local representative bodies, it will be interesting

to see whether this will be conducive to strengthening the political, legal, and financial autonomy of local self-governments. It has yet to be seen how the relevant political parties will redefine their activities at the central and local levels of politics. It is difficult to foresee a time when several political parties, e.g., the current government coalition parties, will be able to move along hand in hand towards completion of the reforms.

Having had so many new powers and responsibilities transferred to them, numerous Slovak municipalities must consider whether they are able to assume those tasks on their own, or should join their forces or even their communities with other municipalities to increase their capacity.

3. CONSTITUTIONAL LOCAL GOVERNMENT

3.1 Civil and Political Rights

The Constitution of the Slovak Republic guarantees basic rights to all citizens, irrespective of their gender, race, skin color, mother tongue, religion, political affiliation or views, national or social origin, ethnicity, fortune, origin, or other status. No one may be singled out, handicapped, or promoted because of any of these factors. In conformity with the European standard, the constitution gives all Slovak citizens the basic human rights and liberties, including political, economic, social, and cultural rights, the right to protection by the court, and other legal protections.

The constitution decrees that affiliation with any national or ethnic minority must not put anyone at a disadvantage. Slovak citizens belonging to such minorities have constitutionally guaranteed rights to free development, mainly the right to join other minority members in developing their own culture, the right to accept instructions and disseminate information in their own mother tongue, to join national associations, and to found and operate educational and cultural institutions. In addition, under the conditions described in the law, members of minority groups have the right to learn the official language, to be educated in their own language and to use it in official proceedings, as well as the right to participate in dealing with matters concerning national and ethnic minorities. The constitution further declares that these minority rights must not endanger the sovereignty and territorial integrity of the Slovak Republic or lead to discrimination against other citizens (Constitution of the SR 2003).

The Municipality Act does not make distinctions according to social background, origin, race, nationality, or ethnicity. The act defines a community inhabitant as a person with permanent residency in the community. According to the Act on Naming Communities in the Language of a Minority, communities in which more than 20%

of inhabitants are not of Slovak nationality may be named in a language other than the official state language. Similarly, the Act on the Usage of Minority Languages allows the naming of streets and public places in minority languages. Such rights have been implemented and exercised in Slovakia.

As far as the coexistence of Slovak and Hungarian nationals in the communities and cities of southern Slovakia is concerned, problems have centered mainly on language issues, e.g., the possibility of educating children in their mother tongue; the equal opportunity to pursue and develop cultural activities; questions concerning the formation and manifestation of national awareness of Slovaks and Hungarians living in nationally mixed communities; and the resulting tendency to favor their own people in managing the public affairs of communities (Dostál 2001; Sopóci 2002). Research shows that in the mixed communities of citizens of Hungarian and Slovak nationality, both groups contribute about equally to the administration of public affairs.

By contrast, the coexistence of Roma and non-Roma is a hot issue in Slovakia. In the overwhelming majority of mixed Roma communities, the Roma people live in segregated areas within the communities or cities or sometimes in settlements outside, especially in eastern Slovakia.

Poverty, unemployment, a low level of education, and high crime rates are some of the profound social problems afflicting this community (Vašečka 2002), and which have led to the stigmatizing of this group by the majority. The history and causes of these social ills, such as the disappearance of industries in which the Roma were traditionally employed, are little understood in Slovak society. In the context of the deep malaise encountered during the transition from a communist to a free market system, the Roma became a convenient scapegoat for many non-Roma people, whose hostile attitudes toward the Roma are now pervasive in Slovakia. Roma face discrimination in social services, are underrepresented in local governments, and remain excluded from the developing sense of community in the new Slovakia.

3.2 The Rule of Law

Representatives of local self-government in Slovakia generally respect the standing laws and regulations. Cases where the law has been broken mostly concern the activities of mayors and city mayors, with some of the unlawful activities originating in the local bodies of representatives. The prominence of mayors and city mayors in this respect may have to do with their strong position in the communities, which, when unchecked by members of the local board and by engaged citizens, can easily get out of hand. Thus, it is not surprising that attempts to break or bend the laws and regulations or violations of human rights have been recorded more often in smaller communities with a politically uniform population (Nižňánsky 1999).

Nevertheless, in the few cases of unlawful activities that were recorded by citizens who lodged a complaint with the authorities, these became public and were decided in the courts. There have certainly been other cases that were not known or reported to the authorities, mostly owing to the passivity of citizens. Therefore, the frequency of such activities can be assessed only on the basis of public opinion polls, sociological research, and the estimates of experts. A specific problem of Slovakia continues to be the underperformance of the police, the attorneys, and the courts—a circumstance that negatively affects lawfulness in the Slovak municipalities. In all these organs that act as independent representatives of the state, of state power, and of lawfulness, corruption and clientelism have long been present in Slovakia. Numerous decisions have been subjected to domestic and foreign criticism (Ivantyšyn and Sičáková 1999; Sičáková and Zemanovičová 2001).

A few examples of cases of legal violations and even of constitutional, basic human and civil rights perpetrated by the representatives of the local self-government in Slovakia may be instructive. Quite often (several times a year) municipalities issue general binding orders that are in conflict with laws or the constitution. A case in point is the general binding order issued by the local self-government of the city district of Bratislava, Nové Mesto, which forbids begging and the consumption of alcohol in public places. The case was appealed and ended ultimately before the Constitutional Court of the Slovak Republic. In its finding, the court stated that this binding order was in conflict with the Constitution of the SR, namely with the constitutional law cited also by the Charter of Basic Rights and Liberties, and also in conflict with the Municipality Act in the wording of later regulations.

Unfortunately, the findings and decisions of the courts and the Constitutional Court of the SR have often been ignored by other organs of state power and by municipal organs as well. One example is the finding of the Constitutional Court that the village of Brunovce violated the constitutional right of its citizen, Juraj Kukla, to possess free access to elected and other positions in the community and to information. The community council refused to approve his assuming the position of member of the local council, although it was obliged to do so, and refused to provide information about the activities of the mayor and the council. Another example concerns the finding of the Constitutional Court on the violation of the citizens' right to vote by the village council of Dolné Krškany. On the basis of an unfounded decision of the village council, the mayor refused to register the permanent residency of several citizens and she prevented them from taking part in the elections to the local self-government. Both mayors ignored the court decisions or failed to take measures to comply with the decisions.

The existing legal position of the mayors allows them, once supported by the local council, to dodge compliance with the decisions of courts and findings of the Constitutional Court. If the law is eventually enforced, it is still to the detriment of the communities, since they have to pay the imposed fines and legal charges, even if it requires the seizure of public property.

The position of the mayor or city mayor in local self-government has been very strong, not least because of his or her ability to temporarily stall council resolutions by not signing them within the prescribed period of time. This might happen if he or she is convinced that a resolution is in conflict with the law, or that it is obviously unfavorable to the community. The decision to do so is based entirely on the mayor's subjective assessment of the matter. A mayor can thus block the attempted proceedings of the representatives in cases when the latter have uncovered a violation of the law or of regulations by the mayor, and can counteract it by his or her own resolution.

The unusual position of mayors and city mayors is not only due to the broad legal powers given to them by the law, but also because they frequently hold high political positions concurrently, e.g., members of parliament, vice-chairmen and deputies of self-governed regions, high officers of political parties, and high officers of the state administration, such as state secretaries and ministerial clerks. In such cases, the conflict of interest between those state administration positions and the position of mayor is all too obvious.

The institutional problems in this area are compounded by the fact that the chief auditors of communities are not elected directly by the residents, but by the community representatives to whom they responsible (and who can also terminate their employment). In politically or otherwise homogeneous communities, this creates conditions conducive to non-transparent and uncontrolled decision-making and management of local affairs—especially when the public is disengaged. In addition, there are currently only 285 part-time or full-time chief auditors in Slovak communities. In other words, about 90% of municipalities run their business without adequate control (Benkovský 2003).

Among the various unsuccessful attempts to curb the rights of citizens in local self-government was the Slovak government's effort in 1998 to push through an amendment of the Act on Elections to Local Self-governments. In this amendment the government tried to supplant the direct election of individuals with the election of political parties. The amendment also provided representation in the local council for every minority, which, in the survey of 1991, was at least 5% of the total population of the community. The nationality of each candidate was to be stated on the list of candidates, to be set up by political parties and civic associations. The Constitutional Court found that this demand was in conflict with the Constitution of the SR and repudiated any attempt to create inequality among candidates based on their nationality or ethnicity, since such inequality violated the principle of free competition of political parties in the democratic system.

The majority of the citizens of the Slovak Republic respect the legislation concerning local self-government (Nižňanský and Kling 2001). The municipalities ensure compliance with the law mainly by establishing a local police force responsible for public order and by means of a community board responsible for the collection of taxes and fees. Additional problems are caused by members of the Roma ethnic group and by criminals. There

is also a fairly populous group of citizens (including non-Roma citizens) that indulges in violations of local regulations on collection and disposal of communal waste, public transport, and payment discipline (Ivantyšin and Sičáková 1999).

3.3 Conclusion

By and large, the legislation on local self-government in Slovakia is comparable to similar legislation in the developed democratic countries. In addition, there is a similar degree of compliance with that legislation as in other walks of life of Slovak society.

The Municipality Act has already been amended several times, most recently in 2002. Its remaining imperfections, along with new developments and ongoing reform in public administration, indicate that this piece of legislation will have to be continuously changed. However, no ground-breaking changes are expected, only the further refinement and patching of its weak points (some of which were discussed previously). The accessibility of citizens to legal procedures by the Municipality Act is established—there were neither objections nor requirements for change.

Further legal developments in the area of local self-government will depend decisively on whether there is a change in the relationship of citizens of municipalities to their local representatives and to the community in general. A swing towards positive development is mainly in the hands of citizens who decide on the composition of local governments. It also depends on how much citizens engage in checking the conduct of local self-government during the electoral term—an area, it must be said, where there is much room for improvement. Once citizens become less abeyant and more involved in managing their local affairs, they will be able to exert more pressure on the police, the courts, and the state executive offices, forcing them to better perform their functions regarding local self-government (including the prosecution of violations of law by the representatives of local self-government).

4. TRANSPARENT AND ACCOUNTABLE LOCAL GOVERNMENT

4.1 Transparency

According to the provisions of the Act on Free Access to Information, Slovak citizens have the right to obtain information from “obliged persons,” i.e., state organs, the local self-government, legal and physical entities equipped with powers in the area of self-government, legal entities managing public funds or public and state property, or other subjects at their disposal. Knowledge important for keeping citizens informed

on the activities of local self-government includes the following information, to which citizens must have access:

- The competencies of the local self-government and a copy of the organizational structure of the community board;
- The place, time, and way information on local self-government can be accessed;
- Information on how to lodge a petition, a complaint, a suggestion, an initiative, or any other method of contact with the local self-government;
- Notices of meetings and agendas of the council board;
- Notices of public assemblies and their agendas;
- Notices of parliamentary and local government elections, of state-wide or local referenda, and of the published results of elections and of referenda;
- Notice of any approved generally binding order (VZN) of the community (these VZNs must be accessible to local residents at the local authority);
- The proposed community budget prior to its approval, giving the citizens the chance to comment and raise questions on it;
- The financial statements of the community; and
- Proposals for voluntary collections.

The municipalities are obliged by the Municipality Act to publish this information at the official community board for at least fifteen days, three days prior to the meeting of the local council or the public assembly, and three weeks prior to the approval of the community budget. In addition, this information should be made public in the customary way, which in Slovak communities is usually over the local PA system, less often by way of local periodicals, and even less frequently on a local television network or the Internet. Municipalities that are not cities are exempt from the obligation to publish information in the “mass media,” as is mandated by the act, i.e., by telecommunications (radio, television, and the Internet). The act thereby takes into account the technical equipment and possibilities available to the majority of Slovak communities. The Act on Free Access to Information gives citizens the right to demand access to facts and data concerning the management of communal property, the content and fulfillment of contracts, and the operations performed under contracts made by the community.

The research conducted so far has revealed that communities are often inconsequential in fulfilling the above obligations (Velšić 2002). Research based on the LGS found that not all Slovak municipalities even make public their proposed budgets prior to approval by the local representatives. According to the respondents involved in the research, in 2002 only about 80% of the municipalities in the research sample fulfilled this obligation.

The publishing of facts and data pertaining to the conduct of local self-government is usually a responsibility of the administrative staff of local boards, and in small

communities this duty is assumed by the mayor. Only larger cities can afford the position of a spokesperson or public relations officer.

In spite of the available legislation, Slovak citizens cannot be considered very knowledgeable about local self-government. According to the LGS research, about 25% of municipalities organized no public hearings or forums in 2002, about 25% only one, and about 20% two. Three or more public hearings or forums were organized in one-third of the municipalities. Only 37.8% of municipalities have their own website and 45.9% can inform their inhabitants by e-mail. The results of other research show that less than one-third of respondents was satisfied with the extent of their knowledge about local self-government, about 40% was dissatisfied, and the remaining third showed no interest in matters of local self-government (Velšic 2002).

4.2 Corruption in Local Government

Politicians, political analysts, and commentators all concur in their opinion that the high degree of corruption and clientelism is the most burning problem of the reformed state administration in the Slovak Republic. Though both of the previous governments (the Vladimír Mečiar government of 1994–98 and the Mikuláš Dzurinda government of 1998–02 and after) launched anti-corruption programs, in neither case was there any significant success.

Local self-government, too, has been tainted with a high degree of corruption. However, just as in the case of corruption within the state administration, allegations of corruption within local self-governments are largely unconfirmed or are based on public opinion polls in which respondents vented their views on corruption or their experiences with corruption at the different offices or with representatives of the state or local administration (Ivantyšin and Sičáková 1999). A public opinion poll on local self-government carried out in 1999 in nine cities of Slovakia merely found that almost half of the respondents considered corruption to be a widely spread phenomenon (Bernátová, et al. 2001, 236). The LGS research in 2003 revealed that only two-thirds of respondents thought there is corruption in local government. Clientelism (in cities) and nepotism (in villages) were considered the most frequent forms of corruption (Zemanovičová and Sičáková-Beblavá 2003, 9). There can be no doubt about the lack of trust of Slovak citizens toward the representatives of local self-government. The survey of 2001 showed that up to 57% of respondents thought local representatives are more concerned about their own profits than about the needs of their community or city (Velšic 2002, 156).

However, there are very few proven cases of corruption in the organs of local self-government in Slovakia—about 30 persons on average are prosecuted in a year and only one or two of these cases concern local government (<http://www.government.gov>).

sk). But it must be stated that neither the standing legislation on municipalities nor other pertinent legislation has created enough deterrence or has involved preventive measures against the corrupt behavior of staff members or representatives of the public administration. The Municipality Act, for example, puts no obstacles in the way of the conflict of interest that arises between the position of a local public servant, such as the mayor, city mayor, local representative, chief of the local board, or chief auditor and their private business activities and those of their spouses and other relatives. The act only mentions the incompatibility of the position of mayor with the following other positions: community (city) employee, statutory representative of a budgetary or subsidized organization founded by the community in which he serves, local representative, chairman of the self-governed region, the leading position in the state administration, as well as judge or district attorney. Similar ineffective rules apply to other positions in the local self-government. Thus, there is no legislation that would forbid the elected local representatives or their spouses either to pursue private business activities in their communities or to take part in public tenders of the community. Also, there is as yet no legislation that would force local representatives to regularly disclose their income or the origin of their newly acquired property. All attempts to pass such legislation have failed—not least because of lobbying of the representatives of the Association of Towns and Villages and the vote of those MPs sitting in local self-governments (Mesežnikov and Nižňanský 2002).

The single most important electoral rule capable of preventing local representatives from pursuing biased interests is the opportunity for every eligible voter to submit his or her own nomination for the position of mayor or councilor as an independent candidate. The nomination is valid on condition that a petition to this effect has been signed by at least 50 local residents (in communities up to 2,000 inhabitants), or by at least 100 local residents in larger communities. Citizens who are not members of political parties can be included as independent candidates on the candidate rosters of political parties or coalitions.

Another rule serving as a preventive measure against the partiality of local representatives is the right to equal access to the local media and to communal space allocated by communities and cities for the electioneering of candidates. The Municipal Election Act decrees that all candidates standing for election must cover the costs of their election campaign. There are no legal limits on the funds that can be spent for this purpose (as was the case in the campaign preceding the assembly election). However, with the exception of large cities, the costs of electioneering have been reasonable, certainly within the reach even of independent candidates.

Since funding of the election campaign does not tax the resources of candidates, it also does not create any commitment of candidates towards either a political party or a coalition. Such commitments, however, arise in the case of candidates nominated by a political party or party coalition, but it is more of a moral, rather than a financial commitment.

The struggle against corruption in local self-government is most effective where there is mutual control between the mayor and employees of the municipal office on the one hand and the local representatives (city deputies) on the other, or where local residents take an interest in the conduct of local self-government. Most breaches occur during public procurement, the awarding of licenses and permits, and the hiring of staff in the municipal offices. Preventing this is possible only where the local representatives create an adequate political and professional counterweight to the mayor and where a substantial number of informed local residents take an active part in the public affairs of the community. But these conditions largely do not exist in Slovak communities. On the contrary, the social atmosphere is often propitious to corruption and is coupled with the sloppy performance of institutions meant to discover and fight it (Sopóci 2002).

The Association of Towns and Villages and other representatives of local self-government have thus far successfully avoided discussion of this topic of corruption. Their success is partly due to the fact that in the eyes of the public and the media, self-government has not been connected with corruption. It has been assumed that corruption mainly afflicts the highest ranks of the political order (especially concerning the privatization of state property and obtaining state orders), the courts, the police, offices of the state administration, healthcare institutions, educational institutions, etc. (Ivantyšin and Sičáková 1999; Sičáková and Zemanovičová 2001; Sopóci 2002). That is why local self-governments have so far not been compelled to address the issue of corruption, even though the problem has become quite serious. In addition, the burden of new tasks and responsibilities taken over from the state administration, compounding the financial plight of local self-governments, has caused further delay in taking initiatives to tackle the problem of corruption in self-government in Slovakia.

4.3 Horizontal Accountability in Local Government

The Municipality Act gives local self-governments a defined legislative space for making local decisions concerning community life, such as:

- Approving the communal budget and its amendments, checking expenditures, approving the annual financial statement, the emission of municipal bonds, the assumption of debts and obligations by the community, and the setting up and controlling of the principles for dealing with the property of the community;
- Approving and creating development plans for the community;
- Deciding on municipal taxes and levies, their introduction or abolition, and making decisions on accepting loans and credits;
- Announcing local referenda on the most important questions of community life and community development and calling citizens' assemblies;
- Deciding on municipal regulations;

- Approving agreements on international cooperation and membership of the municipality in international associations;
- Determining the organization of the local board (city council) and the remuneration of the mayor and the chief auditor;
- Approving the remuneration scheme for the community employees and other regulations (agenda, etc.);
- Establishing, abolishing, and controlling municipal budgetary and subsidized organizations and, upon the motion of the mayor, appointing and recalling their heads, establishing and abolishing trade organizations and other legal entities, approving community representatives in their organs, as well as approving the participating interests of the community in a legal entity;
- Establishing and abolishing organs required for self-government and determining their scope of employment;
- Proposing the coat-of-arms, the flag, the seal, and the signature tune of the community; and
- Awarding municipal prizes, decorations, and certificates of merit.

Under the provisions of the Act on Budgetary Rules, the local board or city council approves the budget and any amendments to it, oversees expenditures, and approves the final statements, all municipal loans, credits, the emission of municipal bonds, and the assumption of liabilities. The budget is established for one calendar year and contains revenues and expenditures pertinent to the management of the community, the relationship with the state budget and with the budget of the self-government region, and financial agreements with physical and legal entities.

The board or council appoints a chief auditor for a six-year term, during which he or she is a municipal employee accountable to the board or council. The community may establish an audit department, headed by the chief auditor. The chief auditor oversees the municipal revenues and expenditures, management of the communal property, as well as business operations of the municipal budgetary and subsidized organizations, issues professional evaluations of the municipal budget and of the final statements prior to their approval by the local board, submits a report at least once a year to the local board, and acts together with the state organs in the management of funds allocated from the state budget. The Municipality Act specifies several ways for local boards to control the mayor and the administrative machinery of the local board. For instance, the local board determines the internal organization of the latter, as well as the remuneration of the mayor and the chief auditor. The board also approves the remuneration scheme, establishes, abolishes, and controls the municipal budgetary and subsidized organizations, and appoints and recalls (on the motion of the mayor) their heads. It also founds and abolishes trade companies and nominates community representatives to manage them, and establishes and abolishes organs

(e.g., local council, commission) required for self-government and determines their scope of employment.

The local board can also initiate the recall of the mayor by a popular vote of local residents. The board can announce such a vote, if petitioned by at least 30% of eligible voters, or in cases of gross or repeated neglect of duties, a breach of the Constitution of the SR, of constitutional laws, and of other laws and generally binding legal regulations. (This legal tool of the local board has so far proved to be problematic, especially when the popular vote later confirms the mayor in office.) The local board can also announce a popular vote on the recall of the mayor if he or she is absent or unable to perform duties for longer than six months.

The local board can remove the chief auditor in cases of felony, having other positions incompatible with that of auditor, gross or repeated neglect of duties, or if his or her competency for legal acts has been restricted or cleared.

The mutual control between the mayor and the local board takes place mainly at the meetings of the board. These are convened as needed (but not less than twice a month) and are chaired by the mayor. If at least a third of the local representatives (city deputies) request it, the mayor is obliged to call a meeting within ten days from the date a demand was made, unless the date has already been included in the formal request. The local board can meet even if not convened by the mayor; the board can be summoned by the deputy mayor (elected by local representatives from among themselves as a substitute during the mayor's absence or incapacity, normally for the whole term of office), or by any local representative authorized by the board.

In Slovakia, the position of the mayor as the representative and highest executive officer of the community has been fairly independent from the local board and entails a high degree of responsibility towards the citizens as voters. The relationship between the mayor and the local board has been designed to achieve the necessary balance of power and sharing of responsibility in managing public affairs. The position of the mayor has been strengthened by the fact that he or she represents the community in public, acts as the statutory representative of the community in property-related and business matters and also as the executive organ in administrative matters, has the power to convene and chair the meetings of the local board as the other municipal authority, and confirms or suspends resolutions of the local board by signing or not signing them.

The mayor has the right to suspend the execution of a local board resolution that he or she thinks it is unlawful or obviously disadvantageous for the community, by not signing it within the deadline set by law. A suspended resolution can be reconfirmed by a three-fifths majority vote of all local board representatives. If such a vote does not take place within two months of the suspension date, the resolution becomes invalid. Once the resolution is reconfirmed, the mayor can no longer stop it. The intention to suspend a resolution is usually associated with the required proof of it being unlawful or unfavorable to the community. Since the law does not envision any other proceedings,

it leaves much room for the subjectivity and voluntarism of the mayor, when his or her decisions are not corroborated by a lawyer or an attorney.

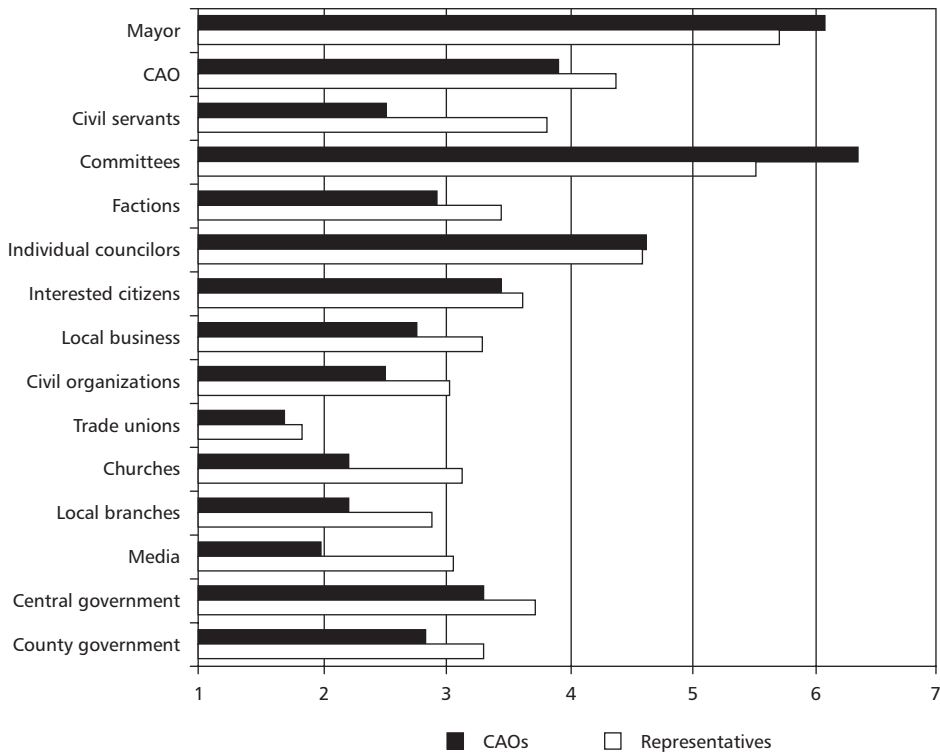
With respect to control over the staff of the municipal authority, it is the mayor who appoints, directs, controls, and fires the head of this authority and also directs and controls the performance of other staffers. Thus, the mayor's position in this area is very strong indeed.

Smaller municipalities save operating costs by hiring fewer administrative staffers and very small communities employ just a mayor. Only larger villages and cities can afford an administrative staff consisting of several tens of persons, organized in several departments. These staffs are professionals, usually without political affiliation (although often hired through social networks and clientelism). In their positions they act mostly along professional and not political lines, affecting the operations of local boards by their professional activities rather than by their political orientation or affiliation. They rarely play a significant role in local politics, at most acting as silent allies of the mayors and city mayors and much more rarely as allies of the local representatives or city deputies (Malíková 1997; Sopóci 1995).

The LGS and LRS research allows us to verify the above conclusions based on the evaluation of elected representatives and administrative staff. The results do indeed show that the observed division of power in local self-government harmonizes with what was envisaged and decreed by the law in the Slovak Republic. The decisive or most significant actors in the power game taking place at the local level are the mayors and city mayors, closely followed by the local boards (city councils), with the least influential being the administrative staff members of the local self-government.

The law envisions a division of power in which local boards and city councils have a controlling role. However, mayors and city mayors have proved better informed and more skillful in handling problems and conflicts and in dealing with the local representatives and citizens, owing to their formal powers and their everyday contact with the community and its problems. The local representatives are less often involved in the problem-solving process and less knowledgeable in legal matters, leaving them not as well equipped to tackle various tasks and solve community problems. Thus, in most communities mayors and city mayors have gained a dominant position in local self-governments by virtue of their superior knowledge and experience, very often irrespective of their political colors. Owing to their professional inferiority, local representatives are rarely in a position to effectively control the activities of mayors and city mayors (Malíková 1997; Sopóci 1995; Veľšic 2002).

Figure 4.1
Perceived Influence on Local Government (7-Point Scale)



SOURCE: LRS and LGS 2003.

4.4 Conclusion

There is still much room for improvement in the way local self-governments keep their citizens informed. In part, this is because of the passive attitude of the citizens themselves and their lack of interest both in the conduct of local self-government and in the possibilities open to them for controlling their representatives. Expert opinion has linked this rather indifferent attitude of citizens to the generally high degree of corruption in both state and local administrative organs in Slovakia. Corroborative evidence is still largely lacking, since the problem of corruption in local self-governments has not yet become the focus of sufficient attention. Existing loopholes in the legislation concerning local self-government and the absence of effective control mechanisms by the citizens of

communities and cities have created conditions conducive to corrupt behavior. In the absence of effective control by the public, the distribution of power, defined on the one hand by the standing legislation and on the other by inherited behavioral patterns, does not provide the prerequisites for a transparent, responsible, and honest way of performing public service—either by the elected representatives or by the employees.

Expert opinion seems to be unanimous that no improvement is possible until citizens become more active and involved. Amendments to the legislation could improve the transparency and controllability of local self-governments and better control by courts and district attorneys could assist in uncovering some of the corruption. Nevertheless, deep changes in this area can only be achieved by people becoming more interested in how the local self-government is run.

5. EFFECTIVE LOCAL GOVERNMENT

5.1 Resource Control

The existing laws do not make it easy for communities and cities to collect taxes. The taxes they actually collect are real estate and house taxes. In addition, the local governments receive tax revenue from liquor and tobacco sales, game machines, vending machines, and advertisements; fines for polluting public places; and fees for the use of public places, for collecting and disposal of communal waste and petty building waste, dog fees, fees for specific services, administrative fees, and fees for public services (mourning house, cemetery services, pre-school institutions, public toilets, cultural, and sports facilities). Another source of internal revenue (both from physical and legal entities) is the non-tax revenue, such as income from real estate and house rentals, various duties, and donations. Communities also have income from the business of legal entities that they co-own. Other municipal revenue comes from external sources—from the state, various domestic and foreign grant organizations, donations, transfers, etc. The proportion of funds gained from these sources differs from community to community, depending mainly on the number of inhabitants, the number of legal entities, i.e., businesses, self-employed persons and businesspeople, and on their prosperity (See Table A4.2).

The collection of local fees, duties, and taxes does not usually pose any technical or organizational problems and the tax discipline of Slovak citizens remains relative high, with the possible exception of members of the underclass and some legal entities (<http://www.government.gov.sk>). Donations and sponsorship from residents of municipalities (both physical and legal persons) do not significantly contribute to municipal revenues. Local boards (city councils) often attempt to collect money for specific purposes, e.g., for the purchase of diagnostic health care equipment, equipment for elementary schools,

etc., but the economic situation of most Slovak citizens rarely allows them to make substantial contributions. Similarly, civic organizations not only cannot contribute to the community budget, but they often find themselves in the position of supplicant. Cooperation among municipalities has so far failed to contribute significantly to the funding of local self-governments in the SR (Mrva 2003).

The financial situation of a municipality is reflected, among other factors, in the number of its employees—in small villages the mayor is frequently the only municipal employee, with the possible exception of the registrar, whose salary is paid by the state. Larger communities have an administrative staff of several persons, while cities may have up to several dozen staffers. The size of the staff does not only depend on the available funding, but is also determined by the tasks they are supposed to perform and the range of services provided. However, these two factors are interconnected, since the availability of funding is what determines the extent of service provision. In the majority of local self-governments in Slovakia—mainly smaller and middle sized municipalities—adequate funding is a serious problem. For example, in the smallest communities the mayor's salary alone consumes most of the municipal budget. In such a situation, it is difficult to envision how any community development is possible.

The quality and qualifications of local government employees are guaranteed by a selection procedure used to hire personnel for local authorities. The candidates for such jobs must fulfill the criteria established for public service employees in Slovakia. The results of the LRS research show that the elected representatives of local self-governments consider the professional qualifications and competence of administrative staff to be very good. The majority of administrative employees responded that their prime objective on the job is to comply with the valid laws, rules, and procedures. Client satisfaction and quick and effective service are the second priority.

5.2 Decision-making Capability

The Municipality Act decrees that meetings of the local board should take place as needed, but not less than twice a month. The LGS research shows that this ruling has been followed by the majority of municipalities (only 8.7% of local authority employees admitted that there were fewer than six local board meetings in their community in 2002). In 75% of municipalities there were from six to ten meetings annually, so that there were one to three unscheduled meetings of the local board. In performing their duties, the overwhelming majority of representatives were very disciplined—adjournment or interruption of a meeting because of failure to meet the quorum occurred in only 13.5% of municipalities. The meetings of local boards in 2002 were fairly effective in their proceedings: postponement of decisions was a rare phenomenon in more than half of municipalities, in about one-fifth it occurred from time to time, and in almost

one-fifth the decisions were never postponed. There are no significant differences among the municipalities when disaggregated by population size or by region.

Table 4.4
Most Frequent Reason for Postponement of Decisions
by Local Representatives [%]

Reason	Population of Municipality		
	999 and Less	1,000–4,999	Over 5,000
Lack of information	19.2	19.2	28.6
Lack of time	4.2	2.5	1.3
Obstruction	4.2	6.7	3.9
No agreement	15.0	15.0	1.4
No firm opinion	50.8	51.7	46.8
Other reasons	6.7	5.0	9.1

SOURCE: LGS 2003.

Decisions were most often postponed because of representatives not being adequately prepared for the discussion and decision-making (they needed more time or more information to form an opinion); less frequent reasons for postponement were badly prepared proposals and motions and inability to reach a compromise.

The notion of inadequately informed and unprepared representatives (contrasting with the usually well prepared and informed mayors) was confirmed by other analyses of the functioning of local self-government in Slovakia (Malíková 1997; Sopóci 1995).

Development plans in small and middle sized municipalities are conspicuous by their absence in Slovakia, partly due to incompetence and partly because of the limited possibilities of local self-governments to create such plans. In addition, certain kinds of plans would be redundant in any case, since most Slovak communities would have no resources to finance them. Table 4.5 gives more detail on the nature of such plans.

Several aspects of cooperation between local boards and mayors or city mayors have already been characterized. The LGS research, based on the responses of members of the administrative staff of local boards, revealed that in 31.8% of municipalities the board almost always supports the standpoint of the mayor, in 63.1% they are mostly guided by objective criteria, and in 5.1% the board rarely supports the mayor's proposal. This demonstrates representatives' preference for problem-oriented and constructive discussions of public issues in the local assembly meetings, rather than acting out of partial and personal interest.

Table 4.5
Programs of Local Policy and Municipal Development in Slovakia

Program	Exists	Does Not Exist
Work schedule for the municipal council and its committees	70.5	29.5
Long-term economic development program	26.4	73.6
Long-term program for local government investments	41.9	58.1
Public sanitation or environmental protection program	31.5	68.5
Program on public education	24.8	75.2
Sports program	27.4	72.6
Cultural program	32.3	67.7
Plan for the financial supervision of local gov. institutions	45.5	54.5
Guidelines for CAO reports for the mayor and councilors	25.2	74.8
Public safety and crime prevention program*	55.6	44.4
Health protection program*	35.3	64.7
Housing program*	50.0	50.0
Program to develop mass transportation*	14.7	85.3
Communication strategy*	65.7	34.3
Municipal beautification*	61.1	38.9
Local regulation on handling of citizens' requests*	81.6	18.4
Public procurement regulation*	97.4	2.6

NOTE: * cities over 20,000 inhabitants.

SOURCE: LGS 2003.

5.3 Output Control

The goals set out by self-governing authorities for their municipalities were only partially met—at least as far as implementation of their budgets is concerned. The LGS research found that only 61.3% of municipalities spent as much as was planned for the projects. In other municipalities, the means envisioned by the plan could not be expended: in 19.4% of municipalities half of the projects were adequately funded and in 19.4% this was true of only a handful of projects. A similar rate of success was found for the completion of projects at planned deadlines. In 63.3% of municipalities, the majority of projects was completed by the deadline, in 19.7% of cases about half were completed, and in 17.1% only some could be finished by the deadline. About one-third (30.8%) had major problems, about half had small problems (53.4%), and 15.8% had no problem in funding the projects. These figures reflect the lower competency and ability of some local governments to handle municipal issues. Thus, the problem of local government is not only lack of financial resources, but also their effective use.

In their efforts to enhance efficiency, numerous local boards tried to streamline operational costs (69.9%), the cost of services of municipal institutions (54.5%), and the cost of services rendered by the local board itself (72.3%). Attempts to reduce costs through privatization or outsourcing have so far been rare (13.3% of municipalities made such attempts). Privatization and the contracting out of some operations are seen as a step in the right direction by the majority self-government employees, but unfortunately this has not always allowed reduction of the staff of local authorities.

5.4 Conclusion

Local self-government in Slovakia is currently in the second phase of the transfer of responsibilities from the state administration. The transfer of powers from the center should be followed by the transfer of the majority of financial resources, obtained mainly from taxes. But this second transfer has been slow to occur. Thus, local self-governments do not have sufficient funds to sustain the numerous new services they have taken over from the state, and they remain very much dependent on transfers and subsidies from the central state administration.

In spite of existing differences among the municipalities in Slovakia, their representatives unanimously claim that the lack of funds represents the single biggest obstacle to more development, even in those communities where local self-government is capable of managing funds effectively. However, analyses of the situation have shown that lack of funds was not the only obstacle—in many cases, planning, decision-making, and executing the activities of the municipalities leaves much to be desired. Until the ongoing reform of public administration has been completed, we will not know for sure whether the unsatisfactory performance of local boards and city councils has been the result of chronic underfunding or the local representatives' inability to effectively manage the funds in order to accomplish their intended purpose—the development of communities and cities.

6. REPRESENTATIVE LOCAL GOVERNMENT

6.1 Local Elections and Referenda

6.1.1 The Electoral System

The Act on Elections to Organs of Local Self-governments stipulates that elections will be held by secret ballot on the basis of direct, equal, and universal suffrage. The mayors

and city mayors are elected by a majority system and the members of local boards and deputies of city councils are determined by proportional representation. Elections to local self-governments are carried out in several constituencies, each with several mandates in which the number of elected local representatives is proportional to the number of inhabitants (local residents). In cities, subdivided to city districts, the borders of voting districts coincide with those of city districts. For the election of the mayor or city mayor, the community (city) forms a single one-mandate constituency. In communities and cities, the ballot casting and counting of votes is done in voting districts, each with about one thousand voters.

The number of local representatives is calculated prior to the election, according to the number of local residents (see Table 4.6).

Table 4.6
Number of Local Representatives in Communities

Number of Residents	Number of Representatives	Total
Less than 40	3	40
41 to 500	3–5	5,851
501–1,000	5–7	5,331
1,001–3,000	7–9	6,274
3,001–5,000	9–11	1,132
5,001–10,000	10–13	675
10,001–20,000	13–19	653
20,001–50,000	15–25	1,134
50,001–100,000	19–31	313
Over 100,000	23–48	40

SOURCE: Slovak Statistical Office 2003.

The Municipality Act originally envisioned a higher number of local representatives (deputies), but the number was lowered in an amendment in 2002 in the interest of enhancing the effectiveness of the business of local self-governments and because of the frequent inability of smaller communities to nominate enough representatives. In 2002, 21,443 local representatives were elected, whereas 35,616 were elected in 1998 (before the reform).

The Act on Elections to Local Self-governments stipulates that political parties or their coalitions may supply lists of candidates for community (city) representation, separately for each constituency. Independent candidates may also seek nomination in the local elections on condition that they attach a nomination form with the signatures of at least 100 eligible voters in communities with over 2,000 residents and 50 signatures

in communities with less than 2,000 residents. Likewise, candidates for the position of mayor (city mayor) may be nominated either by political parties or party coalitions (each party or coalition can only put forward one candidate). Independent candidates may also run for the office of mayor, with the same requirement for residents' signatures as in the election for representatives. The law guarantees that candidates have equal access to the local media and all are allotted equal space for putting up their election posters. These rules have met with compliance so far.

The rules for nominating candidates for local elections have been accepted by both the political parties and the civic associations, none of which currently seeks to change them. Likewise, no objections have been raised regarding the electoral system for local elections; no political party has requested a change (some of them did seek changes in the election law for parliamentary elections). According to the data collected in 1996, the great majority of citizens supported the existing electoral system (Bačišin 1996). An attempt to amend the Act on Elections to Local Self-governments, led by the government coalition of HZDS, SNS, and ZRS, in power from 1994 to 1998, was rejected by the Constitutional Court because of numerous discrepancies with the Constitution of the Slovak Republic. There have been no further attempts since that time.

During the elections to local self-governments, the only reservations expressed concerned the violation of election rules. There was a suspicion of tampering with the results in some constituencies, but these were isolated cases—e.g., in the elections of 2002 only a single case was recorded (in the village Špania Dolina).

The municipal elections are often followed by by-elections in some constituencies, because of a lack of candidates for the local representative positions or because candidates for the position of mayor received the same number of votes. In 2002, for example, the election of mayor had to be repeated in eleven communities and by-elections for local representatives carried out in six communities or city districts, mainly in small municipalities.

The validity of elections to the organs of local self-government has been accepted by all participants. There has been no instance of an eminent political party, a citizen, or a civic association contesting the regularity, organization, or outcome of the election.

6.2 The Electoral Process

The existing system of elections to local self-government provides the voters with a choice of candidates nominated by political parties, coalitions, and independent candidates for the positions of local representatives or that of the mayor (city mayor). The number of candidates and the political spectrum they cover depends mainly on the size of the community. The larger the community, the more numerous are the local party offices and also the candidates standing for elections, as well as the number of independent candidates. In the elections carried out so far in small communities, there

were problems with the nomination of candidates, especially for the positions of local representatives (that was one of the reasons why the amendment of the election law had lowered their proportion to the number of inhabitants). In larger communities, people are interested in standing for election to the city council, and the voters have, as a rule, a much better choice.

In municipalities where there are several local party offices, ad hoc party coalitions are made prior to elections, even of parties that oppose each other on the parliamentary level. Thus, in the preelection period, Slovak municipalities bring forth a plethora of party coalitions (for instance in 2002, 236 different parties and coalitions nominated their candidates for mayor and 286 for local representatives), which sometimes effectively makes it impossible for voters to orient themselves along political and ideological lines (copying the analogous situation in the SR during the parliamentary elections). Party politics and ideology often being poor guidelines, in the local elections voters have to decide by their knowledge of the personal qualities of candidates. The political scientists, therefore, characterize local elections as elections of personalities, not of the political parties (Mesežnikov 1999; Mesežnikov and Nižňanský 2002; Sopóci 1995; Szomolányi 1999). The results from the research before the local elections of 2002 showed that about two-thirds of respondents preferred the candidates' personal qualities to their party affiliation. The party membership of candidates was preferred only in about one-fifth of respondents (Veľšic 2003, p.45).

Thus far, the inhabitants of municipalities have only minimally participated in the organization of election campaigns, these being carried mostly by the candidates themselves and by a narrow group of party friends; in the case of independent candidates, friends and relatives also helped with election posters, distribution of leaflets and letters, local broadcasting, and meetings with citizens, etc. The elections in the largest cities were an exception, in that campaigning for mayors and lord mayors was financially demanding and was carried out by whole teams. In spite of this, the preelection campaigns were neither very intensive nor did they elicit any significant activity on the part of the inhabitants of Slovak communities and cities, apart from a short-term interest in the political life of the community or city (Malíková 1997; Mesežnikov and Nižňanský 2002; Sopóci 1995). Neither the intensity of the municipal election campaign in Slovakia, nor the interest of the public, could match those of parliamentary elections or the presidential elections.

The law guarantees equal access to local media for all candidates. During the election the local board (city council) must reserve an area where the election posters can be placed. Its use must conform to the principle of equality between party-nominated and independent candidates. Each party and each independent candidate bears the cost of the election campaign. (For instance, in 2002, SDKÚ spent 3 million SK, ANO 4 millions SK, and the leaders of KDH decided that each candidate will bear his own campaign costs.) The costs associated with the election of mayors and the local representatives are

covered by the state budget of the Slovak Republic. So far there have been no known cases of violation of the above rules.

6.3 Electoral Results

The first municipal elections took place on November 23–24, 1990, with 63.75% of eligible voters participating. The majority of elected mayors and city mayors came from parties such as KSS, KDH, VPN, or were independent candidates of NEKA. Similarly, most local representatives (city deputies) came from KDH, VPN, KSS, and NEKA. Second-round elections had to be carried out in 150 communities and even a third round was necessary in some of them in order to elect the mayor and the requisite number of representatives.

Second-round elections took place on November 18–19, 1994, with the participation of 52.42% of eligible voters. The majority of elected mayors and city mayors came from NEKA (28.8%), SDL, HZDS, and KDH. The majority of elected local (city) representatives came from HZDS, KDH, and SDL. Various coalitions of political parties were also on the roster, as well as independent candidates supported by parties and party coalitions. In these elections, 70% of mayors and 54% of lord mayors were reelected.

Third-round elections took place on December 18–19, 1998, with the participation of 53.95% of eligible voters. The majority of elected mayors and city mayors came from NEKA (28.2%), while the majority of elected local (city) representatives came from HZDS, SDL, and KDH. In addition, numerous candidates of party coalitions were elected, the coalitions being composed both of parliamentary coalition parties and opposition parties. Among mayors and city mayors, 76% were reelected.

Fourth-round elections to the organs of local self-government took place on December 6–7, 2002, with the participation of 49.51% of eligible voters. The majority of elected mayors and city mayors came from NEKA (32.7%), HZDS–ĽS (13.1%), and SMK (8.0%). The highest number of elected representatives came from HZDS (16.6%), KDH (13.5%), and NEKA (13.5%), in addition to the numerous elected representatives that were nominated by the various party coalitions.

It comes as no surprise that the outcomes in parliamentary and municipal elections differ, since the elections are run by different rules and election systems and the public's attitude toward them differs as well. Indeed, some authors claim they are incomparable (Krivý 1999; Mesežnikov 1999, 2001). If there is any comparability at all, it would only be in the largest towns and cities of Slovakia, in which both the local politics and the rivalry between political parties closely mirror the state-wide pattern and the situation in parliamentary elections. In smaller communities, however, the character of local politics and the outcome of local elections are determined by factors not found in national or parliamentary politics—the election of a personality and not necessarily of a

political party, the presence of independent candidates, a much less influential election campaign, and the formation of coalitions across political camps, etc. Party politics at the local level, especially at the level of smaller communities which form the majority of all settlements, is very specific and often diametrically different from politics at the state and parliamentary level.

Table 4.7
The Role of Political Parties in Local Elections (2002)

Political Party	Elected Mayors			Elected Local Representatives		
	From the Party	From the Coalition	Total	From the Party	From the Coalition	Total
NEKA	—	—	951	—	—	2,904
HZDS	384	268	652	3,565	694	4,259
KDH	206	184	390	2,904	1,488	4,392
SDKÚ	127	229	356	1,066	1,947	3,013
SDE	128	219	347	1,619	463	2,082
Smer	68	255	323	970	993	1,963
ANO	59	208	267	626	1,425	2,051
SMK	233	16	249	2,050	523	2,573
SNS	38	90	128	673	283	956
KSS	32	81	113	460	167	627
DS	18	84	102	273	1,047	1,320
HZD	17	43	60	212	146	358
SDA	8	51	59	141	226	367
PSNS	13	39	52	250	219	469

SOURCE: Krivý 2003.

In the past, voters in municipal elections have returned to office a rather high proportion of incumbent mayors and city mayors: 70% in 1994, 73% in 1998, and 69% in 2002. Thus, it is fair to say that the positions of mayor and city mayor carry the most continuity of power, legitimized by the direct vote of the citizens of communities and cities. A similarly high continuity exists in the nomination and successful election of candidates of political parties and party coalitions. The major political parties (up to ten of the hundreds that are registered) have relatively stable local party organizations

that manage—either alone or in coalitions with other parties—to nominate enough candidates. Such candidates repeatedly become elected members of local boards and city councils, thus ensuring a high degree of continuity here as well (Krivý 1999; Mesežnikov and Nižňanský 2002). For instance, the most successful parties in last three local elections, HZDS, KDH, and SDL, reelected 10% to 20% of the representatives. The results of past municipal elections also show a permanent high presence of independent candidates for the positions of mayor (city mayor) and local representatives (deputies)—a fact that places independents firmly in the ranks of the local political elites.

6.4 Voter Turnout

The participation of Slovak voters in the local elections was significantly lower than in the parliamentary elections. According to political scientists, there are several reasons: the local elections always took place shortly after the parliamentary elections, the political parties paid less attention to them, the local election campaign was weak, etc. (Mesežnikov 2003).

Table 4.8
Voter Turnout in Parliamentary and Local Elections [%]

Year	1990	1994	1998	2002
Parliamentary elections	95.39	75.65	84.24	71.13
Local elections	63.75	52.42	53.95	49.51

SOURCE: Slovak Statistical Yearbook 2002.

The turnout in the parliamentary and local elections has been declining since 1990, with the exception of 1998. The parliamentary elections in that year were elections for political change in SR; voters were anxious to oppose Vladimír Mečiar and the HZDS—the reason for the higher turnout.

At the local level, elections in villages have a higher turnout than in cities (in 2002 the average turnout in villages was 67% and in cities 36%), with the tendency to participate decreasing with the increasing number of inhabitants. The same trends have been noted in the parliamentary elections. The average turnout of citizens with Hungarian nationality was consistently higher than that of Slovak nationals. The turnout in local elections is greater in the higher age groups, a tendency that is also reflected in the parliamentary elections.

6.5 Local Referenda

The Municipality Act provides for local referenda, to be called by local boards, on the most important questions of community life and development. The act specifies that such questions may include the following: the amalgamation, partition, or abolition of a community, a change of name, the recall of the mayor, the introduction or abolition of local taxes and duties, etc. A local referendum can be initiated by a petition signed by at least 30% of eligible voters in the community. The result of a referendum is valid if there has been at least 50% turnout of eligible voters and if the decision was made by a simple majority of valid votes.

There is no organization in the SR under legal obligation to collect statistical data on local referenda, and therefore there are no data available. But research conducted in 66 local self-governments in 2000 revealed that there was a referendum in one-fifth of them in the last ten years. In 44% of the assessed communities, the petition was organized by citizens (Bernáthová et al. 2001). Local referenda most often dealt with the partition of a community, with the change of a community's name, with the building of a municipal waste station, with incorporation of the community into the newly formed self-government regions (in most of these cases the Slovak government rejected the results), and with the recall of the mayor.

Local referenda, in spite of their frequent use by Slovak communities, have met with numerous difficulties and problems that have compromised their effectiveness. Experience gained so far shows that most local referenda struggle with insufficient turnout and, once they have been pushed through, with the state administration (e.g., the Slovak government) accepting their result. Sufficient mechanisms do not exist for implementing the law on referenda. For instance, before new territorial and administrative divisions were introduced in Slovakia in 1996, several local referenda were held in municipalities where citizens wanted to express their opinion about which district or region they should belong to. Their decisions were not accepted. Another example occurred in Starý Smokovec in 1996, when the central government did not accept the result of a referendum on changing of the name of their municipality.

Another problem is that local referenda can only be called to decide on community problems. A successful local referendum in Štúrovo in 1997 (after the national referendum was refused) concerning the direct election of the president of Slovakia was rejected by the Ministry of the Interior. This led to an amendment of the Municipality Act, stipulating that local referenda can now be held only on issues relating to self-government (Bernáthová, Kukliš et al. 2001).

6.6 Conclusion

Of the range of possible methods by which citizens can control or exert feedback on their representatives in local self-government, elections are the most often used. However, the general lack of interest in municipal affairs also makes itself felt in low election turnout. Citizens' ability to wield their election tool effectively is limited, especially in the smaller and middle sized communities that still comprise the majority of settlements in Slovakia, because the persistent lack of suitable candidates for local representatives makes it difficult to choose good ones. This is partly the reason that so many mayors, city mayors, and local representatives are reelected. Another reason may be that citizens are satisfied with their representatives.

Thus, the inhabitants of Slovak municipalities have only a rudimentary means of exerting any control over their elected representatives, given the little feedback available between the local elections. The local referendum as a possible lever of power allowing the participation of citizens in public affairs has met with a similar assortment of problems as the local elections. Furthermore, the state administration often responds to the results of local referenda with scepticism or with outright rejection.

7. LOCAL PARTIES AND FACTIONS

7.1 Political Parties at the Local Level

Political parties in the Slovak Republic do not usually have a large membership. According to the leaders of the political parties, the largest have fewer than 50,000 members and the average have 10,000, while the overwhelming majority of some 100 registered political parties has not more than a few dozen or a few hundred members. The number and size of the party branch offices in the municipalities reflect this size pattern. The branch offices of political parties play an important role not only in local but also in state-wide party politics. The principles and goals of state and local politics, which are only rarely in accord, confront each other in the branch offices. Each political party endeavours to build a dense network of branch offices as the basis of all its activities. Not all parties have been able to achieve this goal. The LGS research indicated that there was a branch of at least one political party in up to 40.1% of Slovakia's numerous (mainly small) communities.

Table 4.9
Presence of Political Party Branch Offices by Size of Municipality [%]

Size of Municipality	To 999	1,000–1,999	2,000–4,999	5,000–9,999	10,000–14,999	Over 15,000
Party branch in municipality	39.0	52.0	73.8	93.8	97.6	100

SOURCE: LGS 2003.

Nevertheless, the majority of the assessed municipalities had branch offices of one or more political parties. The number of party offices in a community is directly related to its size. The most dense networks of branch offices belong to the Movement for Democratic Slovakia–National Party (HZDS–LS), the Christian Democratic Movement (KDH), the Slovak Democratic Left (SDL), the Slovak Democratic and Christian Union (SDKU), and also, in the nationally mixed regions of southern Slovakia, the Party of Hungarian Coalition (SMK). The results of the LGS research confirmed this.

Table 4.10
Local Party Branches in Municipalities [%]

Party Name	Percentage of Municipalities with a Local Branch	Proportion of Active* Local Branches [Percentage of Local Organizations of Party]
HZDS	40.0	61.8
KDH	29.3	60.3
SDL	25.2	68.3
SNS	17.7	57.5
SDKU	16.0	68.2
Smer	16.0	66.7
SMK	11.6	70.8
KSS	11.4	48.9
ANO	11.1	60.7

NOTE: * organized a public event in the last year.

SOURCE: LGS 2003.

The LGS research also found that 47.7% of mayors and city mayors in the assessed communities were affiliated with a political party, while 52.3% were not. This does not tally with the situation in Slovak cities and communities, where mayors and city

mayors not affiliated with a party amount only to about 40%. The largest portion of mayors and city mayors in the analyzed sample belonged to HZDS–ĽS (25.3%), SDĽ (16.7%), SMK (15.1%), SDKÚ (14.0%), KDH (13.4%), Smer (43%), ANO (3.6%), and DS (1.6%). In the municipal elections of 2002, the independent candidates for mayor and city mayor took the most seats in the whole of the SR (32.7%), while the candidates of HZDS–ĽS won 13.1% and SMK 8%. It should be pointed out that a number of candidates for the position of mayor and city mayor were nominated by various coalitions of political parties, this being a characteristic feature of the preelection activities of political parties in the municipalities.

Independent candidates for local self-government achieve good results in elections on a regular basis, especially when running for the position of the mayor—in the last three municipal elections they invariably took about one-third of available positions. Independent candidates have been most successful in smaller communities, where several slates of independent candidates always win, even in large communities and in cities.

Quite often, political parties also put a small portion of independent candidates on their nomination lists for municipal elections also—usually not more than about 10% of all candidates.

The local branch offices of political parties rarely exert much activity. They become active mainly during the parliamentary, presidential, and municipal elections and during other politically significant events (referenda, etc.), acting on directions from the party headquarters. For example, before the local elections in 2002, leaders of the majority of parties ordered or recommended the election campaign strategy, the coalition partners, and the manner of participation of the leaders (Mesežnikov 1999, 2001, 2003).

Nongovernmental organizations cannot nominate candidates for positions in the local self-government, but they can publicly support their preferred candidates. As they are not important opinion leaders in Slovak society, their role in the municipal elections, just as in local politics (mainly in small communities), has been fairly insignificant.

7.2 Party Activity

According to the leaders of political parties, the parliamentary political parties have very few members in Slovak villages. In cities their number is usually higher—i.e., tens or even hundreds of members. Other registered political parties have a much smaller membership and do not play a significant role either at the state or local level.

During the election campaign, the local party branches mainly organize meetings of party candidates with the voters. The local candidates are frequently supported by higher party officials at these meetings. Local branches also support their candidates by designing and distributing election posters, flyers, and letters to citizens, and making radio broadcasts in local radio and television stations. A similar scope of activities is undertaken prior to parliamentary and presidential elections.

During the legislative term of office, public activity of local political organizations in municipalities abates and the majority of them disappear from public life altogether (Mesežnikov 1999, 2001). The LGS research has also shown a low activity of local party offices in Slovak municipalities. Only about 60% of local party branches organized at least one public event in 2002 (the local elections year). There were only ten municipalities where parties challenged a decision of the local government on a public issue. During this period, their activities are directed instead to political lobbying of the local authorities through their elected representatives.

Nor do the local party branches try to affect public life in an overt, direct manner; rather they prefer a clandestine manner by manifold lobbying practices in the organs of local self-government oriented towards promoting either certain persons or groups of persons (mainly local, or other businessmen, and other citizens) in the communities. The promoting of such group interests often brings them into conflict with other political parties and party coalitions, and with mayors and city mayors, since their interests often come in conflict with the interests of the majority of citizens. These conflicts are arbitrated in the local boards or city councils, mainly in the meetings of local boards. The party branch offices frequently come into conflict when they advance the politics of party headquarters (for example, the politics of KDH often generated resistance at the local level from nonreligious political parties) (Mesežnikov 2001; Sopóci 2002).

The local branches of parties usually have few resources: minimal or no tools or funds, no paid personnel or office premises, no technical equipment, and mostly no sponsors. Party branches in cities, particularly in industrial centers, benefit from the presence of economically powerful interest groups, capable of and willing to support local organizations of political parties, deputies, or mayors (Mesežnikov 1999, 2001; Sopóci 2002) in order to further their own political interests.

7.3 Factions

The degree of fragmentation of the local representation depends mainly on the total number of political parties in the municipality and, as mentioned previously, this parameter is in direct relationship with the size of community. In small communities, where there are at most one or two local branches of political parties, there cannot be more than one coalition of political parties.

In larger communities, a plethora of coalitions form and design a common list of candidates for public positions in the local self-governments. Most of them survive throughout the whole election term (Mesežnikov 2001, 2003).

According to the LGS research, the local boards had no political parties or coalitions, or just one, in almost one-third of communities. There were two or three in almost half of the communities and four or more in just 20% of the assessed communities.

Table 4.11
Local Boards Containing Parties or Coalitions (Factions) [%]

Number of Parties or Factions	Proportion of Boards
0	20.4
1	14.5
2	24.2
3	23.4
4	10.2
5	3.8
6	1.8
7 and more	1.8

SOURCE: LGS 2003.

The LGS research further found that formal, public coalition agreements between the political parties or deputies on the creation of a larger coalition in the local board occurred only in 16.4% of the municipalities. Informal alliances of deputies with different political affiliations for the purpose of creating a voting majority existed in 18.2% of municipalities. These temporary coalitions play an important role when the deputies want to enforce their own motion against that of the mayor, when there are two irreconcilable camps or views on the solution of a local problem, or when competing groups of deputies try to push through their own group interests (Malíková 1997; Sopóci 2002). These findings confirm and reinforce the findings of earlier research on local self-government from the first half of the 1990s dealing with the prevalence of party over civic (regardless of party) politics in the larger municipalities and cities of Slovakia (Sopóci 1995).

7.4 Conclusion

Local organizations of political parties are the basis for the formation of local authorities and for local politics in the Slovak Republic. Their only political partners are independent representatives (deputies), mayors, and city mayors. The nongovernmental organizations do not play an important role either in nominating candidates for positions in local authorities or in local politics in general. Local citizens, too, have no significant role in politics between elections, because of their civic passivity. That is why politics in larger communities and cities has become more of a party dominated arena for enforcing various partial, group, and individual interests and less of a catalyst for advancing the general interests of municipalities—the interests of the majority of citizens or of whole local communities.

The characteristics of Slovak political parties thus manifest themselves in activities on both the state and local levels. The prevalence of representative over direct (participatory) democracy in Slovak municipalities allows political parties to sustain the present form of local politics. There are no legal changes planned that would enforce direct democracy in local government; therefore, as long as citizens are willing to tolerate the current situation and do not become more actively engaged, there will be no significant change.

8. LOCAL REPRESENTATIVES

8.1 Social Background of Local Representatives

Being elected to the position of city mayor or deputy of the city council means a significant advancement in the personal career of any local resident. Once candidates have obtained the necessary numbers of votes, they have entered the world of the local social elite. But two important prerequisites are required: ambition and an effective strategy. Looking at social advancement from this viewpoint, we must ask what type of person is likely to be interested in a career in local politics and which strategies have been most successful.

Another approach is based on the observation that voters quite rationally promote the candidates most likely to further their interests and preferences. An analysis of the composition of the local political elite then amounts to analyzing the way of thinking, interests, and calculations of the voters in their choice of candidate. Although the two approaches (examining the viewpoint of elected candidates and of the voters) complement each other, our analysis must carefully distinguish between the two, so that we are well aware of exactly what is in question: the strategies and motivations of aspiring candidates or the motivations and preferences of the voters.

Women comprise 26% of local representatives in municipalities with fewer than 5,000 inhabitants. In larger municipalities this proportion decreases dramatically. Women more often than men have no party affiliation and they represent the more independent element in the local political elites. Sixteen percent of the predominantly smaller municipalities have female mayors. Comparing the percentage of female mayors with the percentage of women in the entire population, we note that it is significantly lower. If, however, we are to compare this figure with the percentage of women in the national political elites, it is significantly higher. Thus, there is an important relationship between the size of the municipality, the political mechanism for creating political elites, and the participation of women in politics. Women start successful political careers mainly in small municipalities, where the position of elected public servant does not engender large privileges and where elections are not dominated by competition between political parties.

A similar trend can be noted in the relationship between membership in the local political elite and factors such as gender and age. There is a statistically significant relationship between the age of elected representatives and the size of municipality; that is, young people under 30 years of age are more often elected in small municipalities, while candidates older than 50 prevail in municipalities with more than 5,000 inhabitants. The majority of elected representatives are between 40 and 59 years of age (67%). The average is 43.4 in municipalities of up to 500 inhabitants and 49.1 in those with over 5,000 inhabitants. This age pattern is the result of the way political parties operate; in order to obtain a place on the list of candidates, one has to show a degree of political experience or certain credentials inside the party. Both of these conditions automatically disqualify young people. On the other hand, the local political arena is a playground where political parties can go scouting for aspiring young politicians and prepare them for a future political career.

Examining the ethnic background of local representatives, we find that the proportion of Hungarians in local representative bodies exactly reflects their proportion in the whole population (9.9% according to the 2001 census). Local representatives with other than Slovak or Hungarian ethnicity amounted to 2.5%, while 0.7% declared a multiple or mixed ethnicity. Thus, while the Hungarian ethnic minority has achieved full parity in local political representation, the same cannot be said of the Roma minority. The root of this problem has to do with difficulties in defining this minority. The census of 2001 recorded mere a 1.7% of inhabitants as having Roma nationality, while estimates suggest there are some 8.5% of Roma in the Slovakian population. If the estimates were true, the number of Roma would approach that of the Hungarian minority and their representation on local bodies would be small compared to their proportion in the population. On the other hand, if we use the official figures and ignore the possibility that there are problems with self-declaration on the census, then the representation of Roma is adequate.

With respect to level of education, the difference between the representatives and their electorate is large. About 58% of inhabitants have elementary or vocational education, 32% have secondary education (high school graduates), and about 10% have graduated from university. By comparison, only 21% of local representatives have just elementary education and almost 79% of them have secondary or university education. Thus, those citizens aspiring to political careers in local politics are the best educated ones, who are attracted by the prospect of belonging to the local social elite. Voters, on the other hand, prefer candidates with high professional qualities. The system of political parties also brings advantages to candidates with higher education. This can be demonstrated by the fact that in municipalities with more than 5,000 inhabitants, where local politics is dominated by political parties, up to two-thirds of councilors (65%) are university graduates. In municipalities with between 2,000 and 5,000 inhabitants, up to 85% of local representatives are high school and university graduates. In small municipalities with fewer than 2,000 inhabitants, most local representatives only have

a vocational or secondary education. Closely linked with the level of education are a variety of cultural assets, such as speaking foreign languages, computer literacy, and use of the Internet for communication.

Table 4.12

Level of Education of Representatives and the General Population [%]

	Population	Representatives	Difference
Elementary	28.8	1.8	-27.0
Vocational	29.4	19.3	-10.1
Secondary	32.0	40.8	+ 8.8
University	9.8	38.1	+28.3
	100.0	100.0	

SOURCE: LRS 2002.

As Table 4.12 shows, the representatives of local authorities come from the more educated social layers. Classified according to socioeconomic status, 71% are employees, 17% are owners or self-employed, and 12% are economically inactive (retired or unemployed people and students). The proportion of owners is twice as high as it is in the general population. Three-quarters of local representatives have full time jobs, and over 10% have part-time or other jobs. Only very few (3%) are professional politicians, mainly mayors.

When the members of local authorities compare their income with that of other people in the community or city, the result depends mainly on their education and their social position in the community. Those with high school and university education rate their income as above average, while those with only elementary or vocational training think their income is lower than average. Local representatives with employee status are less likely to think of their income as above average than those who own property.

Aspiring to and obtaining a public position requires certain human predilections that take a long time to accumulate in families. With the exception of the very youngest candidates (between 19 and 29 years of age), 30% of representatives of all age groups had parents who were active in social or civic organizations. This was equally true of men and women and across all ethnic and education groups. Up to 38% of all mayors had one parent active in a nongovernmental organization. Having politically active parents is a somewhat less important source of human capital in the family; 25% of all representatives have parents who were affiliated with a political party. This factor has a particular significance for the youngest and the oldest groups of representatives (19–29 years of age and over 60), because in both groups the political affiliation of their parents was not necessarily with the communist party.

Thus, it appears that the most important means of transferring human capital from parents to children is improving the access of children to higher education. Representatives whose parents were also public servants are much more likely to possess a high school or university education. This applies to almost half of the youngest generation (19-29 years of age) of representatives, i.e., those whose parents were politically active only after 1989. There is no such correlation in the case of mayors, because their average age was higher. In explaining the intergenerational continuity in public positions, all these facts seem to support the hypothesis of familial accumulation of human assets and predilections for public positions rather than the practice of nepotism.

8.2 Political Background of Local Representatives

About 22% of representatives in the local authorities were already publicly and politically active prior to 1990. Of the local representatives elected in 2002, 11% had previously been a deputy in the national council or the federal parliament. Almost 13% were a member or a functionary of a political party prior to 1990 and almost 14% occupied a position in a civic organization. It is interesting that the parameters of intragenerational and intergenerational continuity almost coincide.

The typical career route of mayors has involved keeping their position for several consecutive terms of office. In 2002, 64% of mayors were reelected and 9% advanced to the position of mayor from that of deputy mayor. A similar type of intragenerational continuity of public office was found in the case of the mayors as in the case of deputies of the city council; 18% of mayors were members of the local council even prior to 1990. After the last elections, 27% of deputy mayors kept their office.

Local representatives showed somewhat less stability, with 53% being reelected. Party membership was an important factor in becoming a councilor, especially in municipalities with more than 2,000 inhabitants. Another factor to play a role was the record of previous community work in the position of non-elected member of any of the commissions. The phenomenon of holding a public office in local self-government along with other public offices has been rare in Slovakia. Of 896 local representatives, only thirteen (1.5%) were deputies of higher territorial entities (regions) and 42 (4.7%) occupied other political positions, mainly in the local or regional organizations of political parties.

Local representatives who acknowledged previous political training amounted to 26%, with mayors, deputies of regional councils, and party office holders declaring this twice as often as local councilors. The mayors usually work full time; sixteen (15%) declared themselves full-time politicians. There are no professional councilors, because the position of councilor is not considered a professional position.

The social position of local representatives predisposes them to have membership in the local elite. Accordingly, more than two-thirds of local representatives intend to keep

their position in the future. This is corroborated by the high proportion of reelections that was noted in the description of dominant common features of political careers of local representatives. In the 2002 elections, 37% of local representatives were first-time elected representatives, 27% were reelected, 20% reelected for the second time, and 12% reelected for the third time. In addition, almost 3% of representatives were reelected to their positions for the fourth time. The phenomenon of reelection does not depend on the municipality size.

People cease to seek re-election only after reaching retirement age. The majority of representatives under 60 years of age (90% of those in the 19–29 age group and 61% of those between 50 and 59) in our survey expressed the wish to be reelected, while only 28% of those over 60 had the same desire.

One-third of incumbent local representatives would like to stay in that position for as long as ten years, 15% aspire to a more important position at the local or regional level, and more than 5% have an ambition to enter national politics. About the same proportion of local representatives aspires to being a company manager or director. Ambitions concerning the future social position of local representatives do not depend on municipality size.

8.3 Social Capital of Local Political Leaders

Two-thirds of mayors and councilors in Slovakia are life-long residents of the communities they represent and only 5% are short-term residents. Thus, most of them have had years to accumulate the social capital needed for a position in the local elite. If social circles are sorted according to the time spent in them, three prime groups appear. One group encompasses parents, relatives, and friends. The second includes co-workers, people active in civic organizations, and other public servants. A third circle is formed by members of the local religious community. Each of these three groups has a specific meaning for certain categories of local representatives. In terms of the amount of time representatives spend in different social circles, the family circle is especially important for the youngest group of councilors, aged 29 or less. Friends are the most important group for those under 39, and more important for representatives from the Slovak-speaking majority than those from the Hungarian-speaking minority.

Meeting with people from NGOs appears to be more important for male than for female representatives, while such meetings have less significance for representatives over 50 years of age and those coming from the smallest municipalities. For university-educated local representatives, co-workers are less important than for councilors with vocational and secondary education. Male councilors and those with lower education consider meetings with fellow councilors important; this is also considered crucial in smaller municipalities and applies more to Slovak representatives than to those with Hungarian nationality.

Meeting with people from the local religious community was most important for the youngest representatives, for those with a lower education, and for village residents, mainly those living in communities of 500 to 2,000 residents; participation in the life of the religious community was more important for representatives of the Slovak majority than for those of the Hungarian minority.

Local representatives considered that their network of social relationships mediated by the organizations of civil society was equally as important as their contacts made in the workplace and those made in local councils—a significant finding, in our view. This means that, in the process of accumulating social capital, local representatives value voluntary organizations from the third sector as much as either business or political institutions.

One-quarter (26%) of local representatives claim to hold a leading position in civic organizations, most often in one organization, but some (9%) in two or more organizations. Most of these are civic associations (52%), followed by foundations (35%); the Slovak labor unions are last, at 13%. Having a significant or leading position in civic organizations enhances social capital and self-confidence and, hence, the chance to be elected to a public office. There is even a statistically significant relationship between reelection and the number of positions held in nongovernmental organizations. This phenomenon of holding of several types of public positions can be observed in democratic society in general, raising questions about the extent to which a personal disposition predisposes people to participate in social activities.

According to the opinions of top administrative officers of local councils, the tie between having a post in an NGO and being on the local council is much stronger. They claim that more than 60% of councilors also hold office in an NGO. Since it is mainly the larger municipalities that can afford to have administrative officers in the local government, this assessment appears to be realistic. The bigger the municipality, the more of its councilors hold positions in civic organizations, but only up to some 5,000 inhabitants. In urban municipalities this relationship no longer holds, as political activities cease to overlap with civic ones and the leading positions in NGOs are held by people other than local councilors. In other words, large nongovernmental organizations with extensive local activities and those publishing their own journals show no personal ties with the local administration. Small local NGOs, on the other hand, often form important interest groups that lobby for their interests via the local government.

In the survey, councilors we were asked which civic organizations were most important to them. Those with 21-100 members (56%) were deemed most important, small organizations with fewer than twenty members (26%) were much less represented, and large organizations with more than 100 members were the least represented (18%). Councilors have mainly been active in organizations in their own municipality, where local problems are a frequent topic of discussion. Almost 25% of such NGOs are connected with the local council by a contract of cooperation and/or they receive support from the local government.

Elected representatives of the community have often been the founders (more than 10%), leaders (6%), or activity organizers (6%) of such civic organizations. About 10% of local representatives spend on average more than ten hours per week on civil society activities. A small percentage of candidates for councilor (6%) admitted entering an NGO just prior to elections, 4% supported an NGO in the elections, and 3% of those standing for election thought their chances to be elected would be enhanced by a membership in an NGO. Only 5% of councilors are members of an NGO in which there are other councilors with similar political views. Local representatives described their civic organizations as independent of political parties; the activities of representatives in NGOs do not correlate with either party membership or sympathy for any political party.

8.4 Political Culture of Local Representatives

We examined the values and attitudes of local representatives by asking them to indicate the extent to which they personally agree or disagree with statements about the political and administrative system (see Table 4.13). Some statements were presented as a scale with affirmative and negative poles. The values and attitudes of the local representatives fall into three groups: a) the dominant one, shared by at least 75% of representatives; b) majority attitudes, agreed upon by more than 50% and disagreed with by fewer than 25% of representatives; and c) those toward which different or opposite political views occur among the representatives.

The topics on which there is the largest concurrence of views among local representatives are: a positive evaluation of competition, a positive attitude towards entering the European Union, and positive value given to public participation. Only 7%–14% of representatives disagree with these attitudes. The majority are convinced that democracy is the best possible form of government. They evaluate the new local governments better than the communist local administration, confirm their support for freedom of the media, accept the right of individual opinion without relying on others, accept institutionalized civic conflict, and share the view that goals cannot be achieved without encountering conflicts along the way. Only 19%–23% of representatives disagree with those statements. The high extent to which those values and attitudes are shared among local representatives provides a good base for recovering a democratic political consensus. It makes possible the cooperation of different political parties and interest groups.

Table 4.13
Democratic Values and Attitudes of Representatives [%]

	Agree	Ambivalent	Disagree
Competition is good. It stimulates people to work hard.	82.7	10.1	7.2
Our country should join the European Union as soon as possible.	76.1	9.8	14.1
If everyone participates, public decisions better reflect people's needs and wants and are easier to implement.	75.7	11.2	13.0
In a democracy everyone should have exactly the same rights.	72.9	7.8	19.3
Democracy is not perfect, but it is still the best possible form of government for Slovakia.	68.3	12.7	19.0
The new local governments do a better job than the local administration did before 1990.	64.3	15.0	20.7
Local media should point out the problems they see, even if their coverage could hurt some community residents or the local government.	63.8	13.8	22.4
Even if life is complicated, everyone can understand it without relying on others.	59.4	22.0	18.5
Local leaders who are too much concerned with preventing conflicts in the community can never achieve anything.	59.2	17.8	23.0
The government should take more responsibility for ensuring that everyone is provided for.	54.9	17.6	27.5
Freedom of speech must not mean that political extremists can propagate their views without any constraint.	54.3	19.1	26.5
In general, the private sector is more efficient than the public sector.	52.1	20.9	27.1
The public sector is too large compared to the private sector.	50.5	18.5	31.0
We need larger income differences as incentives for individual effort.	46.7	14.8	38.4
Private ownership of business and industry should be increased.	45.3	20.6	34.0
It is dangerous to make deals with one's political enemies as it will lead to conflicts in one's own political camp.	44.1	23.0	32.9
National goals must always have a priority over solving local problems.	33.6	38.1	28.3

SOURCE: LGS 2003.

We are also interested in knowing which particular groups of representatives are not a part of this consensual opinion. The attitude towards competition was found to be dependent on the size of the community and level of education of the representatives; the more educated the representatives and the larger the municipality,

the better the acceptance of free competition. Competition was valued negatively only by representatives coming from the ranks of the Communist Party. Negative attitudes towards entering the EU were found mostly among representatives from municipalities up to 2,000 inhabitants, as compared to the positive-oriented representatives from bigger municipalities, those with vocational education, members of the Communist Party and HZDS-LS, and councilors declaring a strong left political orientation. On the question of political participation, only a small group of representatives from the smallest communities agreed more frequently with the opinion that widespread public participation often leads to undesirable conflicts or wastes time. We can easily identify two factors connected with this minor value orientation: firstly, the strong left orientation of the Communist Party and one-third of HZDS-LS members in the case of competition and joining the EU, and secondly, a different kind of civic culture in the smallest municipalities in the case of political participation.

At the lower level of the consensus are attitudes towards everyone's equal rights in democracy and the attitude towards institutionalized conflicts. A problem in interpretation arises from the scale defined by the statements: "In a democracy everyone should have exactly the same rights" and "In a democracy the majority should accept that the minority have some additional rights that allow them to protect their interests on some questions." In fact, those statements come from two different continua and are not exclusive; both are true and politically correct. One may rightfully understand "some additional rights of the minority" as an affirmative action helping to reach "exactly the same rights for everyone."

At this lower level of value and attitude consensus, our analysis again shows political and cultural factors in the differentiation. Representatives who declared themselves definitely left wing in political orientation were inclined to disagree with democracy as the best possible form of government, with an evaluation of the new local government as better than the Communist administration, and they rarely agreed with the right of local media to point out all problems they see. From the perspective of party membership, this minority opinion was more often shared by members of the Communist Party and a portion of HZDS-LS members. HZDS-LS members also disagreed more often with the possibility of understanding life without having it relayed by others and they preferred the opinions of leaders and experts who can be trusted.

Another particular cultural group is the ethnic Hungarians and members of SMK-MKP. Not surprisingly, they more often support the idea of some additional rights that allow them to protect their interests (but even there, the majority prefers equal rights for everyone). In this group we also find more stress on the role of politicians and experts as opinion leaders, and stronger support for institutionalized conflict indicated by the statement that local leaders never achieve anything if they are too concerned with preventing conflicts in the community. As a summary of our observations on differences between the Slovak majority and Hungarian minority in local councils, we

can formulate a hypothesis. Slovak communities, particularly in small municipalities, display more signs of parochialism (higher importance of personal friendship, influence of religious community, and personal friendship with other councilors). By comparison, the Hungarian minority is more politically integrated and their representatives are more conscious of their political mandate as representatives of the minority. The SMK-MKP, a political party representing the Hungarian minority, was politically a part of the central government coalition after the 1998 and 2002 parliamentary elections. The loyalty of local representatives to their coalition partners can also be observed in the local political culture: members of coalition parties, namely KDH and SDKU, express support for the idea of some additional minority rights more often than independent representatives.

Generally, the values and attitudes of local representatives at this level are also strongly influenced by the size of municipality and by the education and, to a smaller degree, the age of the councilor. Representatives from urban municipalities more often have favorable attitudes about democracy as the best form of government, the advantages of the new local governments, the importance of free media, and they more often accept the importance of institutionalized conflict in society. The positive correlation between size of community and education indicates the inclination of more educated representatives from urban municipalities to reflect a greater consensus about these attitudes.

The third group of values and attitudes lacks a consensual character and is strongly differentiated politically. For example, councilors who are members of the Slovak National Party (SNS) are the most tolerant towards political extremism, while the least tolerant are the Christian Democrats (KDH). The strengthening of private ownership of businesses is more often supported by representatives who are members of right-wing liberal and conservative political parties and rejected by representatives affiliated with the populist HZDS and left-oriented political parties.

The next element of political culture is the trust elected leaders have in each other and in other people. The political fractions within local councils are relatively integrated. More than 60% of fraction members trust each other, with common party membership being a powerful factor enhancing mutual trust. Independent councilors as a group consider themselves mutually least trustworthy, while the best collegial harmony is seen among the members of HZDS, KDH, and KSS. Half of the local councilors show no trust in colleagues from other political fractions. In municipalities with less than 500 inhabitants, the percentage of councilors who trust those from other fractions is twice as high as in large municipalities with more than 5,000 inhabitants. The councilors representing the Smer party show the least trust in colleagues from other parties and thus belong to the most radical opposition group.

An important factor in the building of trust is the role of the mayors, who themselves are trusted by two-thirds of councilors. Since the most numerous group in the council is usually the independents, who tend to be the most distrustful of their fellow councilors, mayors can have some success in integrating councils where several political fractions

operate by winning the trust of the independents. As a result, in most councils the mayors are least trusted by the ideologically strongly integrated KDH.

Local representatives trust people from outside of their own community twice as often as the general population: the results of the European Value Study in 1999 showed that only 15% of questioned respondents thought that most people can be trusted, while the figure for local councilors was 34%. An even higher portion of them—43%—believed that given a fair chance most people would behave honestly. The generally higher optimism of local representatives probably stems from the fact that they gained their position by a public vote. This notion can be corroborated by the finding that those representatives who intend to seek reelection showed statistically significant higher optimism concerning the honesty of other people. We uncovered significant differences among councilors on the question of trust in other people, depending on the size of their municipality, their level of education, and their political party affiliation. Councilors with less education and those coming from small municipalities more often thought that one should approach strange people with caution than did the more educated councilors and those representing larger municipalities. Members of SDKU and SDL, political parties adhering to right or left liberalism, showed a fair degree of trust towards other people, while those affiliated with the nationalistic SNS were much more cautious in their relationships with other people.

The ideological orientation of local representatives closely matches that of other residents. A particularly good match (in both cases 39%) was found in ideologically left-oriented councilors and local residents. Centrists are twice as numerous among residents as they are in the council, while those residents that are unable or unwilling to embrace the left–right scheme outnumber by several times any such group within the council. Of course, councilors are more politically conscious than other local residents. One should also keep in mind the characteristic tendency of centrist voters to support right-of-center local politicians in the elections. Another noteworthy feature concerns the finding that the ideological orientation of local representatives bears no relation to their membership in NGOs; councilors of all ideological orientations participate in the activities of civic organizations.

In the sample of local representatives we find 514 non-members and 382 members of fifteen political parties—all seven parties represented in the national parliament and eight nonparliamentary parties. Four of the parliamentary parties are connected to the national government coalition (ANO, KDH, SDKU, SMK) and three to the opposition parties (KSS, HZDS-LS, Smer). In the survey we also asked local representatives to indicate their opinion of all seven parliamentary parties on a scale running from 1 (very unfavorable) to 7 (very favorable). Table 4.14 shows the average degree of sympathy expressed by local representatives for each party according to their own personal party membership.

Naturally, respondents expressed the highest degree of sympathy for their own parties. The fact that this sympathy is not at level 7 on the scale is caused by the inclination of some respondents to answer with a mid-point number, i.e., with the ambivalent degree of 4 on the scale. In each row of the table we can observe the same result: the sympathy of local representatives to other parties copies the national parliament's distribution of parties in the coalition and opposition groups. To overlook the reciprocal sympathies of different groups of parties in the local councils, we compare the average sympathies expressed by members of the group of coalition parties with the sympathies of the opposition parties' members and with the sympathies of non-party members (see Figure 4.3). Sympathies to the respondents' own party are excluded.

As shown in Figure 4.3, only two parties are seen as favorable, on average, for one of the groups of local representatives: the SMK is most favorably regarded among the other members of the coalition group and the Smer Party is the most favorable within the opposition group. Both the SMK and Smer parties are the most favorable reciprocally in the coalition–opposition groups. Non-party representatives make practically no difference among coalition parties and only the Smer party is more favorable for them. The most isolated political party for local representatives is the HZDS-LS of the former prime minister, V. Mečiar. The HZDS received the same average evaluation of sympathy as the Communist Party from members of coalition parties as well as from independent representatives. At the local level of politics, two parties lead in terms of level of sympathy in the coalition group: SDKU and SMK. The leader among opposition parties is Smer. This tallies well with the finding that Slovak–Hungarian relations at the local level work smoothly and that the SMK is generally well regarded.

Table 4.14

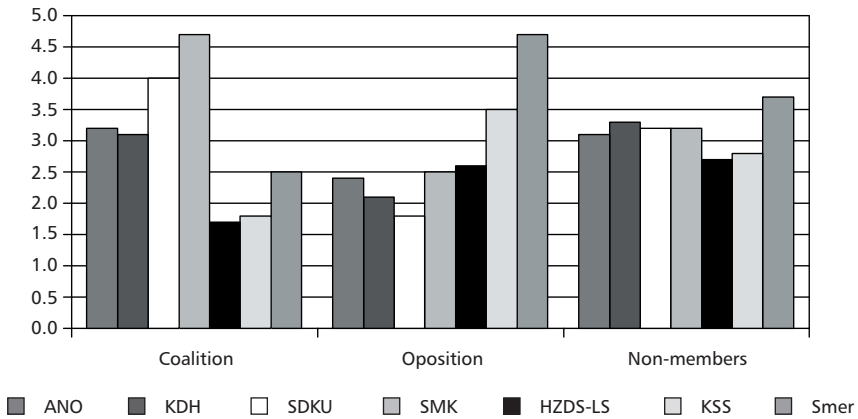
Party Sympathy of Local Representatives According to Party Membership

Member of Party	Sympathy for the Political Parties (Mean*)						
	ANO	HZDS-LS	KSS	KDH	SDKU	Smer	SMK
ANO	6.3	1.9	2.6	2.3	2.9	3.1	4.4
HZDS-LS	2.2	5.5	4.1	2.5	1.8	4.7	2.1
KSS	1.8	2.7	6.5	1.5	1.4	4.7	2.4
KDH	2.7	1.6	1.1	6.4	4.9	1.9	4.8
SDKU	3.3	1.7	1.5	4.2	5.8	2.6	4.9
Smer	3.1	2.4	2.8	2.4	2.3	5.6	3.0
SMK	3.6	1.5	1.9	2.8	4.1	2.4	6.0
Other	2.6	2.6	3.3	2.9	2.9	4.3	3.0
No members	3.1	2.7	2.8	3.3	3.2	3.7	3.2

NOTE: * mean on scale from 1—very unfavorable; 7—very favorable.

SOURCE: LGS 2003.

Figure 4.2
Reciprocal Sympathies of Three Political Groups in Local Councils



Another question related to political culture is the trust of local leaders in democratic institutions (see Table 4.15). The local media occupy first place on the scale of trustworthiness of local representatives (32%), regional governments are second (28%), and parliament and the government are third and fourth (each with 26%). At the other end of the scale, the least trustworthy were political parties (8%), judiciary organs (13%), and the president (18%). Opinion polls show some similar results, with the media in first place for trustworthiness and many of the same institutions at the low end, as on the survey of local representatives. Particularly disturbing is the low confidence in the judiciary, which might be connected to rumors about corruption in the legal system. In contrast to what opinion polls brought to light, local representatives show higher confidence in the central government and the state administration. This opinion is usually expressed to a significantly higher degree by those councilors who intend to stand for reelection. It should be noted that membership in NGOs was found to have no bearing on the degree of trust in democratic institutions. Judging by the attitudes of local representatives, NGOs are very much independent of state institutions.

The trust of local representatives in regional government indicates their positive attachment to regional units in which they are politically active. This feeling is natural, but it also raises a question about the regional span in which local leaders locate their political images. For the general population, identification with the municipality and with other geographic units has a three-tier structure, depending on physical proximity: people best identify themselves with the place they live and work in, then comes the region and the country, and finally Europe and the world. Local representatives, too, have the strongest ties with their municipality and place of residence and the weakest

with Europe and the world. In their case, the weak link also has a political dimension, since local representatives hold particular ideas as members of political parties. If they are members of coalition parties, they identify themselves much more strongly with Europe and the world than do independents or members of the Communist Party (KSS) and the Slovak National Party (SNS). Exceptions to this are the integration of Slovakia into the EU and certain localisms they express. Just as a certain type of political orientation fosters or inhibits a connection with Europe and the world, activities in civic organizations strengthen positive ties with the region. Councilors active in NGOs most often identify themselves with the regions in which they live.

Table 4.15

Trust of Local Representatives and General Population in Institutions [%]

Rank	Local Representatives	General Population
1	Media (31.8)	Media (46.8)
2	Regional government (28)	Police (42.3)
3	Parliament (26.0)	Parliament (38.6)
4	Central government (25.9)	Local state administration (35.8)
5	Police (23.8)	Courts of law (32.4)
6	Local state administration (20.4)	Central government (17.7)
7	President (18.2)	—
8	Courts of law (13.4)	—
9	Political parties (8.0)	—

SOURCE: European Value Study 1999.

8.5 Local Representatives' Attitudes toward Representation

How do the representatives perceive their responsibilities as elected delegates and to whom do they give special consideration? What can we discover about local representatives' way of thinking and of making decisions in this respect?

To analyze this, we asked local leaders to what degree they feel it is important to give special consideration to certain groups of people (see Table 4.16). Local representatives consider themselves delegates of all citizens of a community or city (87.6%), whereas representatives elected in large municipalities also emphasize city districts (86.8%) or their voters (72.6%). The party or group to which they belong ranked lower on the scale (of great importance for 50.3%), and regional and central government authorities lower still (45.2% and 42.3% respectively). The lowest level of importance for local representatives was generally the consideration given to occupational (39.3%) and ethnic (30.3%) groups.

The question is, what are the representation patterns? Which representatives want to represent their party very much and which favor certain groups (e.g., their district or the central government) more than others (e.g., the whole municipality)? In Table 4.17 we present a summary of the results of a relationship analysis between local representatives' demographic characteristics and party membership, on the one hand, and the special consideration they give to particular social groups, on the other.

Table 4.16

Special Consideration of Representatives to Selected Groups of People

Group	Mean*	Percentage of Great Importance**
All inhabitants of the municipality	6.1	87.6
Citizens who voted for him/her	6.1	86.8
A particular area of the municipality	5.3	72.6
The party or group to which he/she belongs	4.3	50.3
Regional government authorities	4.2	45.2
Central government authorities	4.1	42.3
Certain occupational groups	4.0	39.3
Ethnic groups	3.5	30.3

NOTE: * 1—little importance; 7—very great importance; ** including degrees 5 to 7.

SOURCE: LGS 2003.

The size of the councilors' municipality is the factor having the strongest influence on whether they represent all residents of a community or city, only those living in certain districts, or only those who gave them their vote. Small municipalities do not have districts that are typical in the big and urban municipalities. Representatives in politically differentiated big municipalities have a stronger tendency to distinguish their voters among all residents.

By successively taking group after group, we have constructed a basic framework of the representation of these selected groups of people in local councils. The results show that voters as a particular social group are significantly more important for older representatives (over age 60) and significantly less important in small municipalities. The word "voters" has a political meaning connected with party politics in bigger municipalities and older representatives are more often regularly members of political parties.

Table 4.17
Special Consideration to Selected Groups According to Demographic Data and Party Membership (7-Point Scale)

	Special Consideration to the Following Groups:							
	Voters	Area of Municipality	All Inhabitants of Municipality	Party	Occupational Groups	Ethnic Groups	Central Government	Regional Government
Gender								
Male	6.0	5.2	6.0	4.2**	3.9**	3.4**	4.0	4.2
Female	6.2	5.3	6.3	4.5	4.2**	3.8	4.4**	4.4
Age								
19–29	5.9	5.1	6.1	4.4	3.8	3.5	4.4	4.5
30–39	6.1	5.4	6.1	4.1	4.0	3.4	3.9	4.1
40–49	6.1	5.2	6.2	4.2	4.0	3.5	4.2	4.3
50–59	6.0	5.2	6.1	4.2	4.0	3.6	4.1	4.2
60 and older	6.4**	5.5	6.1	4.8**	4.2**	4.0**	4.4	4.2
Education								
Elementary	5.6	4.1**	5.5	4.4	2.9**	3.4	3.5	3.2**
Vocational	6.0	5.0	6.1	4.5**	3.7**	3.4	4.3	4.4
Secondary	6.1	5.3	6.1	4.3	4.0	3.6	4.3	4.4
University	6.1	5.4**	6.1	4.2	4.2**	3.6	4.0	4.0

Table 4.17 (Continued)

	Special Consideration to the Following Groups:						
	Voters	Area of Municipality	All Inhabitants of Municipality	Party	Occupational Groups	Ethnic Groups	Central Government Regional Government
Size of municipality							
Up to 1,999	5.9**	5.0**	6.2	4.1**	3.7**	3.3**	4.2 4.4
2,000–4,999	6.2	5.4	6.2	4.1	4.1	3.6	4.2 4.0
5,000 and more	6.2	5.5**	5.8**	4.6**	4.4**	3.8	4.0 4.2
Ethnicity							
Slovak	6.1	5.3	6.1	4.2	4.0	3.5	4.1 4.3
Hungarian	6.1	5.1	6.3	4.7**	3.9	4.0**	4.0 4.2
Party membership							
Nonmembers	6.1	5.3	6.1	3.7**	4.0	3.5	4.1 4.2
ANO	6.6	5.4	6.5	5.3	4.2	4.0	4.8 4.5
HZDS-LS	6.0	4.9**	6.2	4.7**	3.7	3.4	4.4 5.0**
KSS	6.6	6.0	5.8	6.1**	4.7	4.0	4.0 3.7
KDH	5.7	5.1	5.9	5.1**	4.0	3.5	3.9 4.0
SDKU	6.2	5.4	5.9	4.8	4.3	3.6	4.1 4.0
SMER	6.2	5.1	5.9	4.9	3.9	2.6**	4.1 4.3
SMK	6.2	5.4	6.4	5.0**	3.9	4.1**	4.1 4.4
Total	6.1	5.3	6.1	4.3	4.0	3.5	4.1 4.0

NOTE: * 1—little importance; 7—very great importance; ** significant at the 0.01 or 0.05 level.

SOURCE: LGS 2003.

Consideration to a particular area of the municipality is less important for representatives with elementary education. Such councilors are mostly elected in the small and smallest municipalities. Table 4.17 shows a systematic and significant relation between consideration given to a particular area and education as well as the size of municipality—the group of people defined in this way belongs to the bigger municipalities. This group of people is significantly less important for representatives from HZDS, which generally has its political background in smaller municipalities.

The party or group the representative belongs to is significantly less important for male than for female representatives. Generally speaking, women are rarely elected to public office and institutionalized support from political parties can be more important for them; thus, they might be members of strongly ideologically integrated parties. The party is also significantly more important for the oldest group of representatives and for those with vocational education. Party membership is a phenomenon that is once again connected with the size of municipality: it is significantly less important in the small and more important in the big municipalities. The party is more important for representatives of Hungarian ethnicity and for members of four political parties: HZDS-LS, KDH, KSS, and SMK. It is significantly less important to independent representatives. In the cases of the Christian-Democratic Movement (KDH), the Communist Party (KSS), and the Party of Hungarian Coalition (SMK), the importance of parties for their members is a consequence of precisely defined ideologies: in KDH the will to improve society through Christian values, in KSS the defense of the old communist regime, and in SMK a desire for the political integration and political autonomy of the Hungarian minority. In the case of HZDS-LS, the party of the former prime minister, V. Mečiar, the importance of the movement for their representatives seems to be caused by its political isolation more than anything else.

With regard to occupational groups, special consideration is given significantly more often by female (50% secondary and 36% university educated) than male (37% secondary and 39% university educated) representatives, those in the highest age category, and those with higher education. Occupational groups are also more important for representatives active in urban municipalities and less important for those from small ones. None of those from political parties and groups gives special consideration to the occupational groups.

Special consideration for ethnic groups is part of the agenda of SMK. It is less important for male than for female representatives and more important for the oldest representatives. Representatives who are ethnic Hungarians give special consideration to ethnic groups and they more rarely live in the smallest municipalities than others. Members of the Smer party, on the other hand, consider the use of the ethnic principle in politics to be inappropriate.

The consideration given to central or regional government authorities weakly differentiates local representatives. The importance of central government for female

representatives probably results from their higher level of education, connected with support to the pro-reform politics of the central government. The importance of regional governments for HZDS-LS members probably flows from the success of HZDS-LS in elections to regional governments. Membership in NGOs shows no bearing on the local representatives' attitude to representation.

How far are representatives influenced by opinion existing among the groups of people for whom they have special consideration? To determine this we asked local leaders if they usually follow their own opinion or the opinion of identified groups of people (see Table 4.18) when they find themselves in situations of conflict in decision-making.

Table 4.18

Opinion Usually Followed by Representatives in Conflict Situation
by Age, Party Membership, and Desire to be Reelected

Opinion Followed	Total	Age	Member of Party		Desire to be Reelected	
		60 and More	HZDS-LS	KDH	Yes	No
Own opinion	22.9	33.8	27.3	13.8	22.4	27.1
Opinion of groups of people	10.9	16.2	2.6	16.3	9.4	15.0
Depends on situation	66.2	50.0	70.1	70.0	68.2	57.9

SOURCE: LGS 2003.

Faced with difficulties in decision-making, only 11% of representatives relies on the opinion of trustworthy groups of people, while 23% relies on their own judgment. Two-thirds either make their own decisions or accept the opinion of other people, depending on the situation. There are some significant odds: the oldest representatives (over 60) most stubbornly rely on their own views. With respect to party membership, members of HZDS-LS are exceptional in that they seem to not rely on anyone else's view, while members of KDH, in comparison with others, very rarely follow their own opinion. The most flexible in their judgment (adapting their decisions to the situation) are those representatives who intend to stand for reelection. As mentioned previously, local leaders cease to seek reelection only after reaching retirement age. This may lead to the conclusion that there is a basic relationship between the wish to be reelected and flexibility in judgement, with age being the only intervening variable. If so, political opportunism would seem to be a serious factor in making decisions depending on the situation. The source of the problem lies in the weak identification of representatives with specific social groups and their interests, while they mostly give special consideration to all citizens.

Representatives' weak ties with represented groups enhances the influence of other people on the formation of their opinion on local government issues. In the survey we asked our respondents how influential the opinion of certain people was on the formation of his or her own opinion. The results are displayed in Table 4.19.

Table 4.19

Influence of Different People on Local Representatives' Opinion (7-Point Scale)

Rank	People with Influence on the Formation of His/Her Opinion	Mean*	Percentage** Indicating of Great Importance"
1	Local residents he/she meets	5.5	79.5
2	The mayor	4.7	59.7
3	Councilors in the same faction or voting the same way	4.6	59.8
4	Own party representatives	4.2	46.0
5	Other local councilors	4.1	39.5
6	The CAO	3.6	32.6
7	Civil servants in the local administration	3.6	29.7
8	Representatives of civic organizations	3.4	23.6
9	Local religious leaders	3.3	26.0
10	Local businesspeople	3.2	21.5
11	Representatives of other political parties	2.7	10.2
12	Journalists	2.3	7.6

NOTE: * 1—very little influence; 7—very great influence; ** including degrees 5 to 7.

SOURCE: LGS 2003.

In Table 4.19 we again see the influence of local residents as a whole in first place. Second place is occupied by the mayor and councilors who vote the same way, a power-holding group in the council. Markedly below them are the representatives' own party leaders and other councilors, followed by CAOs and local administrative workers. Beneath administrative workers are the civil society representatives: civic organizations, churches, and business. Among these last three, one can even discuss whether the president of a civic association or a clergyman would be in first place. Representatives of other political parties and journalists are located lowest on the scale and receive the same ranking as that used for political enemies in the previous answer. Quite naturally, the influence of journalists is greater in large municipalities, i.e., in cities.

Party-affiliated councilors exert the most influence on the oldest councilors, in small municipalities, and on other party members, particularly those of KDH. Other councilors exert an influence mainly on less educated colleagues in smaller municipalities.

Age is a factor in the relationship between the CAOs and councilors, with older councilors more readily accepting his or her influence, while the youngest councilors are most often in opposition. A similar relationship is found between municipal office employees and councilors, with the views of the former being less highly regarded by the youngest councilors. Generally speaking, church representatives have more influence with party-affiliated councilors and especially with those of KDH. Of course, NGO representatives influence councilors coming from their own ranks. Surprisingly, no political groups active at the local level admitted being affected in any way by local businesspeople.

An important phase in the opinion formation of local decision-makers is the collection of information and feedback from within his or her own constituency. We asked our respondents how important selected sources of information in the municipality seem to them as mayor or councilor (see Table 4.20).

Table 4.20
Importance for Councilors of Information Sources
about the Views of Citizens (7-Point Scale)

Rank	Information Sources	Mean*	Percentage** Indicating "of Great Importance"
1	Personal contacts with individual citizens	6.2	92.5
2	Organized meetings	5.9	84.9
3	Open office hours	5.2	70.4
4	Family and friends	5.1	65.8
5	Information in local media	5.0	62.3
6	Letters from citizens	4.9	60.6
7	The municipal administration	4.6	53.5
8	Regular place of work	4.5	51.8
9	Own party branch	4.4	49.6
10	Representatives of civic organizations	4.2	44.0

NOTE: * scale from 1—little importance; 7—very great importance; ** including degrees 5 to 7.

SOURCE: LGS 2003.

Local representatives consider personal contacts with citizens to be their most valuable source of information (93%), followed by organized meetings of citizens (85%), and office hours for the public (70%). Representatives from political parties do not favor public gatherings, in contrast to those who seek reelection. Office hours for the public are more important to representatives with less education in small communities; they are not so important to party members.

Other sources of information are family and friends (66%), local media (62%), letters from citizens (61%), employees of the local council (54%), and the representative's

workplace (52%). Information from the local media, employees of the local council, and members of NGOs is more important for female representatives; these sources are more rarely used by younger representatives (under 39 years of age) and by councilors in large municipalities. Women learn more about public opinion in their workplaces than do men.

Only half of the representatives get most of their information from political parties or from groups of representatives (50%); the least information comes from civic organizations (44%). In addition to their own members, political parties are an important source of information mainly for the oldest representatives, for those representing large communities, and for those with a lower level of education. Information from representatives of civic organizations is naturally more important for members of the NGOs, but it is also the case for female representatives.

To summarize, the same tendencies can be observed about the information sources of local representatives as were noted in the previous question about the different sides of the decision-making process. The occupational groups of people, regular workplaces, businesspeople, representatives of civic organizations, journalists, and even the local branches of political parties are at the lowest end of all scales measuring their influence or importance for elected representatives. The decision-making process seems to be dominated by closed power-holding groups that are minimally interested in cooperation with civil society actors in the development of local societies. In the smaller municipalities, the spirit of social conservatism is amply evident.

8.6 Conclusion

In assessing the political culture of elected local leaders and their attitude toward representation we note the decisive influence of their social background. The most frequently occurring features accounting for variance in value orientations and attitudes are the size of the municipality, the level of education attained, and family history, the latter being often connected with the person's region, according to other sources (Krivý 1999). This interconnection of personal history with the traditional political culture of the region and the degree of its modernization generates specific local combinations. Their meaning for Slovak politics has been substantial, as can be expected in a country with a high proportion of small municipalities.

Small municipalities have the tendency to fence themselves off from external influence, largely because of misgivings about national or supranational political institutions, or about political institutions that do not embody the same values as local political leaders or other members of the local social elite. Thus, the creation of social and political mechanisms conducive to the integration of local elites within national ones and mechanisms of European integration must be considered a task for the future.

This will be the task facing every European country for many years ahead. Democracy is certainly an important value, but we would prefer democracy coupled with progress and a better quality of life. The basic impulse propelling the development of local democracy will be the ability of elites to prepare their own development programs. The prerequisite for this development is much better cooperation between elected local leaders, local businesses, and civic organizations. At the present time, cooperation between the local political elite and the local business community leaves much to be desired, both for economic and political reasons. Therefore, the projects we consider most promising are those that are based on newly created connections between local governments, civic organizations, and local businesses for the purpose of developing and enhancing the quality of life in municipalities.

9. RESPONSIVE LOCAL GOVERNMENT

The needs and desires of a constituency are most often reflected in programs that are part of local representatives' electoral platforms. Such programs are often based on the majority opinion of the residents and present various routes along which the municipality can develop. However, new issues also tend to surface during the term of office, either as a reaction to changed conditions or to new and as yet unknown opportunities. But this varies across the regions, since the process of post-communist transition regularly presents more opportunities to the capital city and to the central rather than to the peripheral regions. If we were to ask people to assess how successfully the local government satisfies their needs, the assessments would not be clear because of uncertainty about how to distinguish among the responsibilities of the local, regional, and central governments in a period of massive administrative changes. Thus, there is no direct source of information in Slovakia for determining how the electorate assesses its local authorities from the standpoint of its needs. The best available indicator is probably the number of reelections, particularly to the position of mayor.

We may also try to evaluate the process of governance from the standpoint of the basic attributes of good governance: the involvement of citizens and civil organizations, the correspondence of politics to local needs, and transparency in governance. Our analysis of local governments' responsiveness is based on the evaluative responses of chief administrative officers in the Local Government Survey.

9.1 Inclusive Decision-making

To what degree do local governments attempt to involve citizens, NGOs, local businesses, and media in the decision-making process? A starting point in assessing this would be

to determine the relative status and/or prestige of different persons, social groups, and their representatives in the picture of social reality held by local government actors. We can reasonably assume that those persons and groups endowed with more social status will tend to have more influence in the decision-making process. In the questionnaire, CAOs were asked to what degree certain persons and bodies have an influence on the decisions of their local government (see Table 4.21).

Table 4.21
Influence of Selected Persons and Bodies
on the Decisions of Local Government (7-Point Scale)

Rank	Influence	Mean*	Percentage of Those with a Big Influence**
1	Committees of the municipal council	6.4	94.3
2	Mayor	6.1	89.2
3	Individual councilors	4.7	51.4
4	Chief administrative officer	3.9	39.5
5	Central government authorities	3.3	30.7
6	Most interested local residents	3.5	25.3
7	Factions in the municipal council	3.0	24.4
8	Regional authorities	2.9	20.9
9	Civil servants in local administration	2.5	14.6
10	Local entrepreneurs, firms, and business associations	2.8	14.0
11	Civil organizations, e.g., associations and foundations	2.5	11.4
12	Churches	2.2	10.4
13	The local branches of political parties	2.2	8.8
14	Newspapers, radio, and cable television	2.0	7.2
15	Trade unions	1.7	5.0

NOTE: * 1—very small influence; 7—very big influence; ** including degrees 5 to 7.

SOURCE: LGS 2003.

The most influential body in the local government's decision-making is the council committees, whose influence is comparable only to the mayor's. Equally important is the very low position of civil society bodies on the scale of importance. CAOs are not alone in offering this assessment—local representatives gave a similarly low rating to civil society bodies (Table 4.20). When we consider the involvement of NGOs, local business, and the media in the decision-making process, we should note that these institutions that have a very small influence in the subjective assessment of the chief administrative officer.

According to data from the survey of CAOs, there were active (i.e., operative, not just registered) civil society organizations in 67.6% of all 413 municipalities surveyed. In 45.5% of all municipalities, the residents participate in the decision-making of local governments by means of civic organizations. The local councils cooperate with from one to three civic organizations in 33% of municipalities, while in 16% even more civic organizations take part in the decision-making. In 22% of municipalities there were from one to three instances of NGOs submitting their own proposals or written demands concerning solutions to local matters; in 13% of municipalities such instances were even more numerous.

The participation of NGOs has a distinct regional pattern. To compare the involvement of NGOs in different regions we used an index constructed as a summary of data on the frequency of NGO participation in the preparation of decisions (variable Civil01a) and the number of own submitted proposals from NGOs (variable Civil01b). Values of the index are: up to 4, 4–8, 8–16, and more than 16 (see Table 4.22).

Table 4.22

Intensity of NGOs' Involvement in the Decision-making Process by Region

Region	4	4–8	8–16	16 and More	Number of NGOs in Municipality
Bratislava region	10	4	3	2	0
Trnava region	8	5	8	1	4
Trencin region	12	8	4	3	3
Nitra region	13	10	2	2	8
Zilina region	13	9	2	2	8
B. Bystrica region	13	5	2		17
Presov region	14	9	2		19
Kosice region	9	5	2		19

SOURCE: LGS 2003.

There is a significant difference between western Slovakia (Bratislava, Trnava, Trencin, Nitra, and Zilina), where civic organizations have been very active, and middle and eastern Slovakia, where up to two-thirds of NGOs took no part in the decision-making. These regions also differ in the number and activity of their civic organizations—a fact that reflects the lower level of local socioeconomic development in middle and eastern Slovakia. If we cross tabulate data from the CAO questionnaire about the number of new businesses in a municipality and the number of civic organizations, we can observe a significant relationship. According to the survey, there is a direct relationship between the number of new businesses, the number of civic organizations, and the total budgetary

expenditures of the municipality. In municipalities where there are active NGOs, new businesses also appear and hence new resources for local budgets.

There is a fundamental difference between the subjective opinions of local representatives and CAOs about the minor importance of civic organizations, on the one hand, and the actual data, on the other. Perhaps the best explanation is that local representatives and administrative officers are uninformed about the benefits of the active participation of citizens and civic organizations in terms of social and economic development. The underestimation of own disposable assets can also be seen in the constant highlighting of the central government responsibility to ensure that everyone is provided for (see Table 4.13).

According to the provisions of the Municipality Act, local governments are in charge of public and social services. The public services mainly include the collection and transport of communal waste, the provision of funeral services, the maintenance of public greens and local roads, and public illumination, while social services encompass nursing care for the elderly and the provision of services for the physically and mentally handicapped, homeless people, abandoned children, and single parents. Public or social services may also be provided by civic associations as nonprofit organizations, allowing low budget municipalities to participate in local services by sharing property or funds with nonprofit organizations and with other subjects, such as other municipalities, associations, or church organizations. In 2002, 13% of municipalities used this method to provide some of their services.

The Municipality Act also requires that the draft budget be published fifteen days ahead of its approval. Some 12% of municipalities did not follow the rule, even though this procedure is essential for citizens to have any input into the local government's budget. More than 85% of municipalities used only one method of presenting public information about the proposed budget, 23% used two, and 5% three different methods. As mentioned previously, the most common method was publication (in 79.5% of municipalities), second was discussions with civic organizations (17.2%), third was public hearings or forums on the budget (15.7%), and last was discussions with journalists (5.6%).

9.2 Institutional Responsiveness

The demands and expectations of citizens towards local governments are formed to a certain extent by factors such as their awareness of the legal powers of local governments and their acquired attitudes and habits based on everyday experience. A survey (Strussová-Kawasaki 2001) carried out in Banská Štiavnica, a small, traditional city in central Slovakia, showed that its citizens expected local government to solve the following problems:

- Improving the looks of the city and housing, starting new housing projects;
- Economic development of the city and creating more jobs;
- Construction and maintenance of roads, public transportation;
- Improvement and maintenance of technical infrastructure (water supply, gas and electricity, sewers, and telecommunications);
- Revitalization of historic landmarks;
- More shopping and service facilities;
- Cultural life, sports, and recreation facilities;
- Social services, health care, public order, and safety; and
- Healthy environment and clean city.

But the programs and action plans of local governments do not entirely reflect the same priorities as citizens' expectations would suggest. The most visible discrepancy is on the issue of economic development and the creation of new jobs. Only some 26% of municipalities have a long-term economic development program. Local governments often do not consider their role in the economic development of cities (see Table 4.23).

Table 4.23
Local Government Programs and Action Plans (2003) [%]

Existing Program	Percentage of Municipalities
Communication strategy	65.7
Plan to make the city more appealing	61.1
Public safety and crime prevention program	55.6
Housing program	50.0
Long-term program for local government investment	41.9
Health protection program	35.3
Cultural program	32.3
Public sanitation or environmental protection program	31.5
Sports program	27.4
Long-term economic development program	26.4
Program on public education	24.8
Program to develop mass transportation	14.7

SOURCE: LGS 2003.

Another significant finding concerns local governments' view of the importance of local problems compared to problems connected with their relations with central and regional government. It is clear (see Table 4.24) that it is much more important for

them to solve administrative problems than to respond to pressure and demands from citizen and civic organizations.

Citizens' wide ranging needs and expectations far exceed a local government's capacity to address them. As it is, rather than follow priorities, local governments tend at best to cope with critical situations. Problems arise concerning the inherited city property and existing infrastructure, in addition to all of the responsibilities shifted from central administration to local governments. Thus, all the areas where citizens expect a solution have become the responsibility of local government, leading to a critical state of affairs.

Table 4.24
Challenges Facing Community Leaders/Mayors (7-Point Scale)

Local Level Problems	Mean*	Percentage** Responding "Important"
Resident pressure to limit increases in user charges	4.5	51.1
Unrealistic service demands from residents	4.0	38.2
Pressure from local enterprises	3.2	23.2
Pressure from local civil organizations	2.9	19.5
Problems in relations with central and regional government		
Too many responsibilities	6.4	90.5
Assigned standards in responsibilities	5.7	79.5
Unclear division of responsibilities	5.7	77.8
Discretion in determining local income	4.9	58.1
Authority in local economic policy formulation	4.8	53.5
Restrictions on restructuring	4.7	50.8
Interference from district authorities	4.3	48.2

NOTE: * 1—no importance; 7—utmost importance; ** including degrees 5 to 7.

SOURCE: LGS 2003.

9.3 Accessibility of Local Representatives

In their relationship to citizens, local representatives have two roles: that of mayor and that of councilor. According to the survey, people expect the mayor to meet with them, to consider their demands, and to maintain regular office hours. A councilor is expected to take part in the deliberations of the local council, to supervise the implementation of council decisions, and to represent a certain political point of view. The councilor's role is more that of a supervisor than of a leader mobilizing people around a long-term project. The law has also decreed this division of roles by distinguishing two organs of local government—the mayor and the council with councilors.

The difference between the mayor's office and the position of councilor manifests itself in the way they encounter citizens and in their office hours. While 78% of mayors open their offices for citizens several times a month, 62% of councilors have no office hours at all and use other ways to meet citizens. Also, councilors may consider office hours to mean time spent in council meetings. The mayor's office is expected to publish articles in the local press (54% of mayors), give media interviews (64% of mayors), and participate in public meetings (84% of mayors). The law requires no such activities of councilors: only 20% of councilors have ever published an article in the local press or given an interview (24%) and only 52% attend public meetings.

Our research showed that 66% of mayors devoted more than 40 hours weekly to the activities connected with their public office (full-time jobs), 18% spent 20 to 40 hours a week, and 8% only five to ten hours a week (half-time jobs or less). On the other hand, 43% of councilors devoted less than five hours to their public activities and 40% between five and ten hours a week.

There is no difference between mayors and councilors with respect to participation in protest actions. Of the different forms of protest action, local representatives most often participated in petitions (26% of representatives) and only rarely in public demonstrations (5%); an even smaller portion of local representatives (1%) organized them.

9.4 Conclusion

At the present stage of reform of the local administration, the question of responsiveness and in particular of institutional responsiveness is a difficult one. The most common current issue for local governments in Slovakia has been the transition from crisis management to genuine activities, i.e., selecting and dealing with the development priorities of their municipalities. We expect the situation to be stabilized within five years following the completion of the shift of responsibilities from central administration to local governments. A positive harbinger of such stabilization has been the general acceptance of the primary significance of the needs and demands of citizens.

10. LOCAL MEDIA

The role of the mass media in a democracy is well known. Genuine public opinion exists in a democracy only because individuals and groups can freely express their views by means of mass media. There are, however, information media that can hardly be designated as "mass" media. People who consume this form of information come from a single municipality; at the same time, they also consume information supplied by other regional or national mass media, both print and electronic. Analyses of the

media landscape usually confine themselves only to media that reach a broad section of the population (Mistríková, Kollár, and Bella 2003), while our knowledge of local media and of their importance for democracy at the local level has been very scarce. This gap must gradually be filled. Our survey has gathered some basic facts about this type of media, based on the responses of central administrative officers from a randomly selected sample of municipalities.

10.1 Availability of Local Media

According to the subjective estimates of CAOs, more than half of all municipalities (55%) have a newspaper that pays attention to local public life, at least from time to time (see Table 4.25). This means that the monitoring of public life in Slovakian municipalities has not been a rarity. As far as coverage by the print media is concerned, municipality size makes a marked difference. There is no newspaper covering community life in 69% of small municipalities with up to 2,000 inhabitants, while there are such newspapers in 88% of those with more than 2,000 inhabitants. In municipalities with over 5,000 residents there are often two newspapers monitoring public life. With the electronic media, the threshold starts at municipalities with 5,000 inhabitants; in 66% of municipalities of this size, radio and television stations devote time to local affairs at least occasionally. Of course, on rare occasions the electronic media operate even in smaller municipalities.

Table 4.25

Presence of Media Covering Local Affairs by Size of Municipality [%]

Size of Municipality	Municipalities with Newspapers				Municipalities with Radio or Television Stations			
	None	1	2	3 +	None	1	2	3 +
Up to 1,999	69	17	11	2	94	3	3	—
2,000–4,999	22	46	26	6	74	19	2	5
5,000 and more	1	33	40	26	33	41	20	5
Total	45	27	20	8	77	14	6	2

SOURCE: LGS 2003.

Issues and events in public life in municipalities are most often dealt with by the regional media, complemented by the genuine local media, with bulletins published by local governments. The national media handle public life in municipalities in a very selective manner—their attention is either focused on the biggest cities or they cover only extraordinary local events (see Table 4.26). In other words, an analysis of media

coverage of local events must concentrate on the activities of regional and local media and how they divide their attention among single aspects of public life.

Table 4.26
Coverage of Local Affairs in Municipalities by Type of Media

Type of Media	Newspapers		Radio or Television Stations	
	Number of Municipalities	Percentage of Municipalities	Number of Municipalities	Percentage of Municipalities
None	184	45	316	77
Local media	126	31	41	10
Regional media	185	46	47	12
National media	26	6	32	8

SOURCE: LGS 2003.

It seems quite natural that the largest audiences of all types of media can be found in larger municipalities, where events are covered by several media or by one with high periodicity (see Table 4.27). The size of the municipality can make a significant difference: a newspaper dealing with public life is read by fewer than one in ten residents in 72% of municipalities with under 1,999 residents, while in municipalities with 5,000 and more residents such a newspaper rarely fails to reach them all. In this size category there are up to 62% of municipalities in which six out of ten residents follow local events by means of the media. Very similar differences among municipalities of different sizes are to be observed in the listening and watching patterns of radio and television stations respectively.

As a rule, the newspapers report on local events in municipalities once a week, while radio and television stations broadcast such news at most several times a year—testifying to the fact that the electronic media are dominated by large regional or national stations. We should also point out the statistically significant difference between the fairly well covered western region and the much less well covered eastern part of Slovakia (Košice and Prešov regions). This difference tallies well with the size of municipal budgets. Low budget municipalities are rarely able to publish their own newspapers (bulletins) or support local or regional publishers. It is worth noting municipal activity in financing elementary media: local bulletins appear where local annual budgets exceed a threshold of 2 million crowns (SK); where the local budgets exceed 50 million crowns, the financing of some kind of public press (at least a bulletin) is the rule. The spread is exceedingly large, indicative of a deep division of opinion in local councils on the importance in public life of communication through media.

Table 4.27
Audience of Newspapers and Radio or Television Stations
in Municipalities of Different Sizes [%]

Size of Municipality	Readers of Newspapers			Listeners of Radio or Television Stations		
	Less than One in Ten	One to Five in Ten	Six and More in Ten	Less than one in Ten	One to Five in Ten	Six and More in Ten
Up to 1,999	72	19	19	96	3	3
2,000–4,999	24	63	46	75	15	17
5,000 and more	4	96	62	39	48	33
Total	45	54	34	77	14	14

SOURCE: LGS 2003.

10.2 Independence and Representativeness of the Local Media

The survey data show that according to the opinion of CAOs, 63% of local newspapers (i.e., newspapers distributed only in a given municipality or in several neighboring municipalities) are owned by local governments. Other important media owners are trading companies (17%) and natural persons (12%), with only 3% of local newspapers being owned by nonprofit organizations. Local radio and television stations are owned by local governments (49%), trading companies (40%), or natural persons (privately owned). This means that the majority of local media (considered local in this narrow sense of the word) lies in the hands of local governments. This state of affairs contrasts starkly with the situation in the national and regional media, the majority of which are privately owned or owned by trading companies, the other owners being public institutions and nonprofit organizations.

The newspapers owned by local governments are mostly monthlies or periodicals published several times a year. Only rarely are they dailies or weeklies, these being mostly in the hands of trading companies or private owners. Ownership engenders economic dependence. Thus, newspapers published by local governments are funded by the local governments; periodicals published by nonprofit organizations, trading companies, or natural persons do not depend on local government subsidies. In the electronic media landscape the situation is similar: the financial support of local governments is mainly important for media owned by local governments.

A large proportion of local governments, then, have media at their disposal that are totally or to a large degree financially dependent on them. This relationship puts local governments in a better position vis-à-vis information media than the central government. Thus, when assessing the role of the local media in municipal democracy

we cannot rely on an analogy with the role of the national media on the one hand and the local regional media on the other. Local media, being dependent on local governments, fulfill the latter's wishes through the dissemination of information on prepared or approved decisions and by expressing the views and attitudes of the mayor and other elected representatives or, more broadly, of the local power elites. The results of the survey show that the independence of the media increases with the size of the municipality. In large municipalities the communication with citizens is usually carried out by several media—a pattern impossible in small ones. In smaller municipalities a natural monopoly of the media arises, a trend that is only broken when audiences above a certain size have to be addressed.

The difference in the relationship of elected representatives and the media in small and large municipalities can be demonstrated by the number of complaints of media bias. Representatives of smaller municipalities voice such complaints much more rarely, since local representatives as oligarchies can dominate the local public sphere and they like this situation. Thus, the tensions between the media and local elites start to manifest themselves only in larger municipalities. At the same time, the number of those representatives who consider news on local government activities trustworthy grows. In other words, the local elite in a large municipality ceases to be automatically homogeneous and its views become more differentiated. This creates room for the media to pursue their task of creating a more independent public opinion. Only after this has been achieved can we speak of local media being accessible to various groups of citizens. According to our survey, this mechanism for creating independent public opinion starts to become operative beyond the threshold of 2,000 inhabitants. Other factors that co-determine the independence of the media are the achieved level of education of elected representatives and the size of the municipal budget.

Currently there is no local newspaper in Slovakia that is financially independent of the local government and at the same time serves as a vehicle for community views. It would be unrealistic to expect the existence of such a newspaper when several national and regional newspapers are already fighting for survival and for readers' loyalty. One of the methods used to enhance circulation is to publish supplementary local and regional issues. Filling such issues with meaningful content has apparently been a difficult task, even for large professional newspapers; what is needed is a permanent position for a local correspondent or even a whole local editorial team.

10.3 The Media in Local Political Life

The status of local media in the political life of municipalities can be aptly characterized by observing the content and the means by which they inform citizens (see Table 4.28). In local media the prime position has been reserved for information on political life mediated by interviews with representatives of local government or councilors, followed by news on

council decisions. This type of news fills more than twice the space allocated for information on the draft proposals submitted for public discussion before the council deals with them and for the related arguments and counterarguments. Space for public discussion exists in only half of the local newspapers and in one-third of local radio and television stations.

Table 4.28
Political Topics Presented in the Local Media [%]

Type of News	Newspapers	Radio or Television Stations
Interviews with representatives of local government or councilors	91	87
Reports on decisions of local government	82	70
Information on proposals made to the councils	52	40
Information on arguments for and against proposals to be deliberated in councils	53	33

SOURCE: LGS 2003.

It is immediately apparent that local representatives prefer to use media they control more than twice as often for publishing what has already been decided than they are apt to publish their bills submitted to the council. If we are speaking solely about local radio and TV stations, this is not simply a question of more commercial outlets restricting their interest only to scandals. The local media, especially those operating in small municipalities, have two main purposes: to announce facts and decisions made by local government and to present the views and attitudes of the representatives of local governments and councilors. In fact, the local media stay away from local political life, especially those that are distributed within a single municipality. Therefore, the degree to which the media stimulate the interest of citizens in municipal problems in large municipalities exceeds by a wide margin the influence exerted by the media in small municipalities. However, in large cities the role of the local media is subsumed by regional and in the largest cities by national media. It would more appropriate, then, to speak of the influence of the regional and local content of “large media.” This is especially true for investigative journalism specializing in the problems of local governments.

10.4 Conclusions

Our analysis shows that the influence of local media on public policy in Slovakia has been very small; indeed, in smaller municipalities it has been almost negligible. The local media have failed to create a space in which discussion could take place, much less one where decisions regarding municipal issues and interests could be made.

In Slovakia just as in other Central European countries, the room to create local media was established at the beginning of the 1990s. By coincidence, this was the period when the Internet started to penetrate the media landscape. Young people began to lose interest in print media and an entirely new mode of communications started to develop. This has visibly weakened the position of the print media, since the people who could give them a new character disappeared from their sphere of operation. On the other hand, barriers to the expansion of new forms of electronic communication have proven to be substantial. The main one is economic, since electronic media remain more expensive than print media. In addition, new skills and knowledge must be acquired and prejudices overcome. The time was simply not ripe for the dynamic development of the media.

Nonetheless, the results of our survey show that local governments have not been overly imaginative in exploring potential uses and content for the local media. Local residents often complain about the insufficient information they receive from local governments; local governments even lack an integrated vision or a concept of how to use the media they own. Generally speaking, the communication skills of local governments and their subordinate institutions leave much to be desired. Development in this area has been hampered not so much by the desire to limit opportunities for the free expression of public opinion, as by the lack of pertinent skills. Hence, there is a need for initiatives from nongovernmental institutions and structures in support of the development of local democracy.

11. LOCAL CIVIL SOCIETY ORGANIZATIONS

11.1 The Legal Status of Civil Society Organizations

Civil society organizations in the Slovak Republic exist in one of the following legal forms:

- Civic associations;
- Foundations;
- Non-investment funds;
- Nonprofit organizations rendering public services; and
- Churches or religious societies.

The law defines a civic association as a legal entity organizing citizens or juridical persons with the aim to represent their interests. A foundation represents a purposeful union of articles, monetary funds, bonds, and other property with monetary value

(foundation property), which the founder has dedicated for useful public purposes, e.g., for the protection of human rights or of the environment and for the development of cultural assets, etc. A non-investment fund represents a nonprofit juridical entity combining funds destined for public purposes such as the protection of human rights or of the environment, for the development of cultural assets, or in order to provide individual humanitarian assistance for individuals or groups whose lives are threatened, are in urgent need of help, or are in distress due to a natural calamity. A nonprofit organization as a juridical entity renders public services such as: the development and protection of spiritual and cultural assets, the protection of human rights, humanitarian care, supplementary education of children and youth, and the provision of social services. A church or a religious society is a legal entity associating people with common faiths; members can form spiritual communities, ecclesiastical orders, and similar denominations.

Civil associations, foundations, non-investment funds, and nonprofit organizations aiming at providing public services are founded, entered in the register of the Ministry of the Interior of the Slovak Republic, and operate pursuant to the dedicated legislation (the Civil Association Act, the Foundation Act, the Act on Non-investment Funds, and the Nonprofit Organization Act). Similar rules apply to churches and religious societies (churches can be registered with the Ministry of the Interior, provided they have at least 20,000 members; smaller religious societies can be registered pursuant to the Civil Association Act). International organizations can operate in Slovakia and can be registered (as well as annulled) pursuant to the Acts on Foundations, Non-investment funds, and Public Utility Nonprofit Organizations respectively. According to the provisions of the above acts civil organizations institute their own management, i.e., their executive and control organs. Civil organizations have created associations, usually together with organizations of the same type (for instance the Youth Council of Slovakia, the Slovak Humanitarian Council, the Slovak Union for the Protection of Nature and Landscape), as well as associations of different types of organizations, e.g., the Third Sector Panel. The civil organizations have also founded several associations providing specialized help in methodologies, logistics, consulting, and other professional assistance they may need; the “Third Sector Service Center” is a case in point.

In the management of their financial assets, civil organizations must, just like all juridical entities, proceed pursuant to the Accounting Act and other regulations issued by the Ministry of Finance. Their annual financial statements are inspected by independent auditors under the supervision of the Ministry of Finance and the Supreme Control Office of the Slovak Republic and their activities are monitored by the Attorney General.

Registered churches and religious societies are funded by the state via budgetary funds allocated to the Ministry of Culture of the Slovak Republic from contributions of their members and from endowments. Nonreligious civil organizations acquire the

necessary funds from a whole range of sources: own profits combined with contributions from their members, donations from citizens and businesses, collections, contributions of local governments, grant agencies, and funds coming from domestic foundations. In addition to this (mostly insufficient) revenue, nonreligious civil organizations can solicit funds from foreign sources (foreign benefactors and foundations and various EU or single state supporting programs). Certain subsidies are available through the government via ministerial budgets, such as contributions to the funding of organizations for children and youth, special interest organizations, allowances for social care organizations devoted to certain groups and categories of citizens, Red Cross funding, the funding of some environmental organizations, etc. The majority of civil organizations receives the necessary funding from several different sources.

11.2 Density of Local Civil Society Organizations

The Slovak Ministry of the Interior has so far registered more than 13,000 local civil organizations. The numerical majority of these nonreligious organizations form civil associations oriented toward sports, cultural and recreational activities, gardening, small animal breeding, environmentalism and the protection of natural areas (dominant by their large membership). A much less populous group includes foundations and non-investment funds; still less numerous are the various educational organizations and organizations protecting the rights of various groups and categories of citizens (youth, women, and minorities), organizations supporting health and social care, regional development, housing, and international organizations (see Table 4.29).

The number of registered civil organizations in the Slovak Republic has been far from stable. For instance, the census of 2001 recorded 20 churches, five fewer than in 1991. The number of religious societies in Slovakia decreased mainly after 1997, when new legislation changed the conditions for their registration and operation; state and foreign assistance has also been reduced, especially recently. While in 1996 there were a total of 1,639 foundations, non-investment funds and nonprofit organizations, in 2000 only 830 were left, of which 479 were foundations, 250 non-investment funds, and 101 nonprofit organizations (Sopóci 2002b).

The LGS research revealed an average of one or two active secular civil organizations in the surveyed cities and villages and none at all in more than one-fifth of them. The number of active civil organizations increases along with the size of the municipality. According to data from the Ministry of the Interior and corroborated by LGS data, the majority of civil organizations are active in western Slovakia, more than twice as many as those in eastern Slovakia.

Table 4.29
Largest Civil Society Organizations (2000)

Civil Association	Membership
Alliance of Organizations of Disabled People in Slovakia	200,000 (estimate)
Slovak Red Cross	149,287
Slovak Union of Gardeners	115,058
Society of Saint Adalbert	114,063
Slovak Fishing Union	108,927
Voluntary Fire Protection of the SR	93,297
Youth Council of Slovakia	80,539
Matica Slovenská	62,427
Union of Pensioners of Slovakia	9,650
Slovak Hunting Union	50,654
Association of Construction Entrepreneurs of Slovakia	41,900
Fighters against Fascism	37,567
Association of Slovak Scientific and Technological Societies	31,000 (estimate)
Slovak Association of Apiarists (Bee-keepers)	16,345
Union of Associations of Home Owners	15,538
Slovak Association of Breeders	7,500 (estimate)

SOURCE: Slovak Statistical Yearbook 2002.

Table 4.30
Types and Intensity of Civil Society Organizations in the Municipalities [%]

	None	1	2	3	4	5	6 and More
Number of CSOs in the municipality	21.8	11.2	14.3	11.5	9.5	9.0	22.4
Number of non-local CSOs active locally	64.1	12.7	12.1	4.8	3.1	1.2	2.2
Number of ethnic minority organizations	72.4	15.9	5.1	1.4	1.7	1.1	0.6

SOURCE: LGS 2003.

Organizations of national minorities operate mostly or exclusively in southern Slovakian communities (the Nitra and Trnava region) along the southern border. The organizations of Hungarian nationals are situated there, while those of the Roma, Ukrainians, and Ruthenes operate in the regions of eastern Slovakia (Košice and Prešov region). The LGS research showed the existence of minority organizations in only 27.6% of the surveyed communities and cities.

Table 4.31
Average Number of Active Civil Society Organizations in the Regions

Region	N	Mean	Standard Deviation
Banská Bystrica	56	3.07	4.33
Bratislava	23	7.04	6.91
Košice	47	2.55	3.57
Nitra	52	6.02	7.60
Prešov	69	2.58	4.36
Trenčín	29	7.90	10.73
Trenava	33	8.21	10.58
Žilina	48	3.75	3.69

SOURCE: LGS 2003.

11.3 Civil Society Organizations in Local Public Life

Civil society organizations in Slovakia act mostly as nonpolitical organizations, dependent on and collaborating with none of the political parties. Political independence did not come easily, however. In the 1990s they had to fight for it, since the HZDS, during the period of the Mečiar government from 1994–1998, tried to subdue and bring under its control the nongovernmental, nonprofit organizations (Sopóci 2002b). When this plan failed, HZDS and some other political parties founded some of their own civil organizations, such as youth and women's organizations that are still in existence.

On the other hand, we should point out that some of the nongovernmental, nonprofit organizations (mainly those associated with the Third Sector Panel) became important players in the election campaign of 1998 on behalf of the opposition parties and made a significant contribution to the latter's victory. Leading representatives of that portion of NGOs (some of them active politicians of early 1990s) tried other ways to politically reassert the interests of their organizations, mainly with the political right. Even though these efforts met with little success, after 1998 a significant part of Slovak citizens stopped thinking of these organizations as nonpolitical entities. Not surprisingly, their political record put a dent in the prestige of civil organizations and diminished people's trust in them. Opinion polls show that people most appreciate the activities of nonprofit NGOs that assist physically and socially handicapped people, support education, and protect the environment and nature, especially when such efforts produce visible results or results that have been reported by trustworthy sources (Veľšic 2003). (See Table 4.32.)

These circumstances affect the status and work of civil society organization in Slovak communities and cities. Their position in the political life of municipalities

has been determined mainly by the fact that the election law does not allow them to directly nominate a candidate for municipal elections; instead, they have to use candidate rosters of political parties. Another possibility would be to support independents aspiring for the positions of councilor, mayor, and lord mayor. The results of LGS research show that, especially in larger communities and cities, members of NGOs have fairly often been elected to positions in local governments (some 60% of municipalities have members of NGOs in their local governments). The question remains, however, whether they owe their position more to their membership in an NGO, or to their reputation based on local activities, including those done for the sake of some of the NGOs.

Table 4.32
The Usefulness of NGOs According to Slovak Citizens

NGO's Oriented Toward	Average Evaluation*		
	1996	1998	2000
Health services	1.22	1.38	1.35
Social care	1.29	1.41	1.37
Education	1.94	1.77	1.72
Environmental protection	2.00	1.84	1.92
Municipal development	2.27	1.91	2.08
Helping immigrants	2.40	2.00	2.17
Helping drug addicts	2.42	2.12	2.22
Supporting culture	2.56	2.19	2.24
Supporting sports	2.62	2.20	2.29
Human rights protection	2.58	2.26	2.32

NOTE: * 1—very useful; 5—not useful at all.

SOURCE: Mesežnikov and Ivantyšin 1999, 2001.

In evaluating the participation of members of NGOs in the organs of local self-government, one has to take into account a simple fact of life, that local governments include people who are members of local sports and interest associations, gardeners, small animal breeders, hunters, fishermen, and members of the local fire brigade—in other words, members of organizations that in the overwhelming majority of cases play a positive role in community life and more often than not have no connections to political parties. Social life in smaller communities, especially, is supported not only by local governments, but to a large extent by these civil associations. In the small communities where there are no such civil associations or the existing ones remain passive, there is usually no social life to speak of.

Active participation in the decision-making of local governments by local civil organizations is rather limited, according to the LRS research. For example, there were only sixteen cases in which civil organizations demanded the revision of a decision of local council. In 2002, this was less than half of the cases where revision was demanded by ordinary citizens. On the other hand, according to the representatives surveyed in the study, local residents—both members and non-members of NGOs—do not see NGOs as a means by which they can participate effectively in managing municipal matters or affect the rulings of local governments.

11.4 Contacts between Local Governments and Civil Society Organizations

Cooperation between civil society organizations and municipal self-governments has not yet reached any high degree of sophistication, as can be documented by the findings of the LGS research. In 2002, the municipal governments of two-thirds of the municipalities under scrutiny financially supported civil organizations. On the contrary, in only one-third of investigated municipalities did the civil organizations extend any financial or other help to local self-governments. In about one in ten municipalities, local governments contracted a public service from civil organizations. The latter participated through membership in commissions or by providing expert services in the preparatory phases of the decision-making of one-third of local councils. In 2002, however, civil organizations submitted their own proposals and made demands pertinent to the solution of local problems to mayors, lord mayors, or to local councils (city boards) in more than 90% of investigated municipalities.

As can be seen, the relationship between local self-governments and local civil organizations has been asymmetrical, with more dependence of the latter on the former. This is the result of the disparate nature, locality, and function of local self-governments on the one hand and civil society organizations on the other in the social life of Slovak communities and cities. The LGS research found more facts to corroborate this asymmetry—namely, that 40% of investigated municipalities have no representatives of civil society organizations in their local governments and one-third have no more than one or two. In spite of this, municipal mayors and councilors claimed that when it comes to voluntary help and participation, more could be had from civil society organizations than from individual citizens. It appears, then, that local self-governments have not yet been able to make the best of the potential harbored by local civil society organizations.

Table 4.33
Civil Society Organizations and Local Government

	Proportionality [%]						
	None	1	2	3	4	5	6 and More
Percentage of CSOs that obtained support from the local government	37.4	12.9	14.8	9.9	5.3	3.8	15.9
Percentage of CSOs that supported local government	66.8	13.0	7.8	4.4	2.2	1.9	3.9
Percentage of CSOs contractually providing public services	86.7	7.8	2.6	1.2	0.6	0.9	0.3
Percentage of councilors holding office in a CSO	38.2	15.4	18.5	11.2	5.6	3.1	7.9
Percentage of CSOs that have an office-holder who is councilor	40.6	22.0	20.0	10.1	4.2	0.6	2.5
Percentage of instances when a CSO submitted its own proposal	64.8	3.8	11.9	6.3	4.6	2.4	6.3
Percentage of CSOs that submitted proposals	7.1	19.0	36.5	15.2	10.3	2.4	9.5

SOURCE: LGS 2003.

11.5 Conclusion

Slovak civil society organizations have thus far played a subordinate role in local self-governments—certainly not the role they could and in fact are supposed to play. By virtue of their nature, their existing membership, and their incidence in communities and cities throughout Slovakia, they have a high potential to make local governments function more efficiently. This potential has gone largely unrecognized by local governments, not least because of the legal status of civil society organizations, which in the minds of many still bears the connotation of political bodies or bodies closely connected with party politics. Also, their participation in the organs of local self-government has so far been deemed insufficient or ineffective.

It would be unrealistic to expect legislative changes in the near future that would increase or strengthen the role of civil society organizations both in local government and in local democracy. Therefore, their members must continue to improve the public image of civil society organizations and better utilize existing possibilities to participate in the activities of local governments both from “inside” and from “outside.” Civil society organizations usually bring together the most active people in communities. It is fair to expect, then, that if more of them participated in local governments and the latter better utilized their potential, local residents would begin to participate more effectively

in the social life of municipalities, thus making local democracy more mature and local government more efficient.

12. CITIZENS' POLITICAL CULTURE

12.1 Political Interest and Knowledge

The participation of citizens in the management of public affairs is a prerequisite for the existence and functioning of local self-government. To be effective, however, people need to be both interested in and knowledgeable about public matters. To analyze the direct participation of citizens in public affairs, therefore, we have to consider how knowledgeable people really are about how local governments operate and also about their own local self-government.

According to the facts gathered so far, Slovak citizens have neither been interested in taking part in the management of public matters, nor have they been knowledgeable about them. A representative survey carried out in 2002 found that the functioning of local government and its organs was an interesting topic for about half of Slovak citizens. Older people, residents of small municipalities, and better educated people were among those who had an interest in local politics. In general, this interest has been overshadowed by the interest in politics, the economy, and culture at the national level, i.e., topics that interest two-thirds of population. But of those who proclaimed an interest in local matters, half felt insufficiently informed about them, according to the survey. A similar survey in 2001 revealed that less than a third of all citizens felt adequately informed about local matters, while about 40% felt inadequately informed; the remaining third of citizens showed no interest in the matter at all (Velšic 2002, 2003).

According to the survey of local representatives in 2001, the majority (58%) of citizens obtained their information on local government from their immediate neighborhood, i.e., from relatives, friends, and acquaintances. Local and regional periodicals (42%) and radio stations (41%) also served as an important source of information for many residents. Local bulletin boards were somewhat less effective as an information source—only a third of residents used them, about the same percentage (28%) as those who got their information from printed documents issued by local councils, e.g., information brochures, fliers, and letters. Public meetings of citizens with local representatives (e.g., participation in meetings of local council and public gatherings) manage to keep about one-fifth of residents informed, while local or regional television served as an information source for 19% and the municipality web page for a mere 1% of Slovak citizens (Velšic 2002, 152).

The surveys showed that the majority of residents of Slovak municipalities knew (mostly personally) their local representatives and the mayor, as well as city mayors (mostly only by

name). Only about two-thirds of local residents are personally acquainted with one or more councilors. The majority of local residents consider the lord mayor (mayor) the strongest or most influential figure in the local self-government, followed by local councilors, local businesspeople, and officers of the local administration (Velšic 2003, 36–38).

The inhabitants of Slovak municipalities did not put much trust in the representatives of local self-governments. The 2001 survey, for example, found that up to 57% of respondents thought local representatives were more interested in their own profit than in the needs of their municipality; half thought local representatives were not interested in the views of common citizens and 59% considered organs of local government too inflexible, ridden with red tape, and incapable of solving the problems facing communities and cities. Another finding of the survey concerned the relationship between the degree of information about and trust in local government—two-thirds of the informed group of residents trusted local governments, while only half of the uninformed group did so (Velšic 2002, 151, 156).

12.2 Local Political Participation

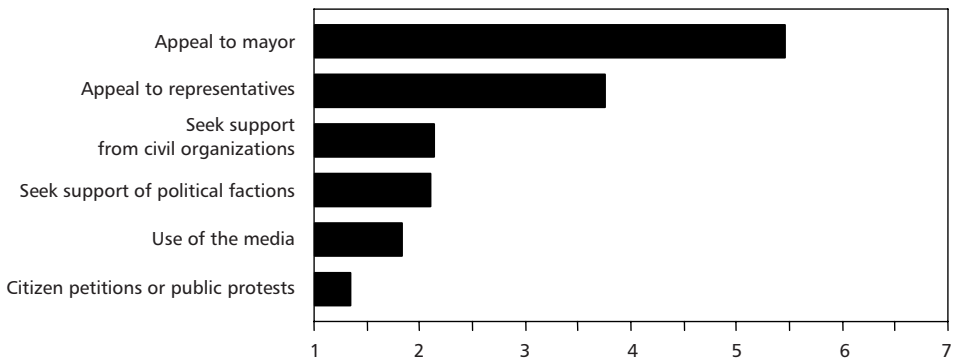
A representative survey of 2002 discovered a close relationship between how much interest people show in local matters, their degree of information about local affairs, the functioning of local government, and the degree of participation in solving local problems. However, the findings of a series of representative surveys carried out in the second half of the 1990s showed a similar proportion (25%) of local residents participating in one way or another in the management of local affairs. The largest proportion of people involved in local government was in small municipalities; participation was greater among elderly and middle aged people than young people and among those with a higher level of education; the most active were creative white-collar people—the self-employed, businesspeople, and managers (Velšic 2003).

Since local self-governments have assumed responsibility for managing local affairs, the involvement of most people has been limited to taking part in municipal elections. Only about a quarter of citizens have made use of other available ways to participate in managing local affairs (attending local gatherings or meetings of local council, meeting the mayor or councilors in an attempt to solve local problems, etc.). As much as three-quarters of Slovak citizens took no part in managing the public affairs of their municipality or city (Sopóci 1993; 1995, Velšic 2002, 2003).

The findings of the LGS research confirm this. Public demonstrations were organized in only four communities in 2002 in an effort to solve local problems; petitions expressing support or protest concerning local matters were noted in only 16% of the investigated municipalities (with a slightly greater number of protests than supporting petitions); residents appealed the decisions of the local council in 8% of municipalities and appeals were lodged by civic organizations in only 4% of investigated communities and cities.

The LGS research confirmed the results of other surveys on the participation of citizens in local self-government. In their efforts to sway the decisions of local government, the inhabitants of Slovak communities and cities prefer to make personal appeals (lobbying) to the mayor (lord mayor) or to the local representatives. They consider getting the support of civil organizations or political parties as vehicles for their action much less frequently. The use of the mass media is an even rarer event and recruiting the help of fellow citizens (collecting signatures for petitions or organizing a public protest) is the method of last resort.

Figure 4.3
Number of Times Citizens Used Different Means
to Influence Local Government Decisions



SOURCE: LGS 2003.

12.3 Political Efficacy

According to public opinion polls, Slovak citizens have a permanent feeling of powerlessness and helplessness. For instance, 80% of respondents in a survey in 1977 believed they could not influence the functioning and development of Slovak society. Only 17% of respondents had the opposite opinion. In the survey of 1988, 72% of respondents answered that they did not have the power to defend their own interests against the government or parliamentary decisions (Bútorová 1998, 202). The results of recent surveys show that the situation has not changed, as about 75% of citizens think they cannot influence matters in Slovak society (Gyarfášová, Krivý, and Velšic 2001).

The situation in local politics is about the same. Only 12% of respondents in the 2003 public opinion poll think that local government decisions are influenced by municipal residents. One-third of them believe those decisions are influenced by local businesspeople, another third by local political parties, and rest think that decisions are

influenced by the family and relatives of the mayor and local administrators. The same survey revealed that about 40% of respondents did not have information about the problems their local government was dealing with or did not have an opinion on these problems (Zemanovičová and Sičáková–Beblavá 2003).

The findings of representative surveys on local self-government also show that the majority of Slovak citizens do have at least a basic knowledge of the ongoing reform of public administration and of the responsibilities being transferred from the state administration to local self-governments. The majority of survey respondents was capable of correctly identifying the main problems encountered by local governments in Slovakia generally, as well as those concerning their own municipality or city.

At the same time, the surveys demonstrated that a fairly large portion of citizens found it difficult to separate out local and national issues and responsibilities, much less to distinguish which matters and problems can be solved by business people or other bodies or entities. Half of the survey respondents thought, for example, that local governments were responsible for problems of unemployment, inadequate housing plans for affordable apartments, problems of criminality, etc. In this case, too, there is a connection between knowledgeability about local government and the ability to correctly assess which are the responsibilities of local self-governments (Velšic 2002, 2003).

When trying to learn how citizens rate their own chances to affect the decisions of local governments and to help to solve problems of their communities, a relationship was found between the activity of citizens and their positive assessment of the possibilities open to them when trying to take part in the local decision-making process. Of those citizens who tried to contribute to solving local problems (60% were at least partly successful), one-third believed in the idea that local government is able to solve local problems and in their own chances to help in the process (Velšic 2003, 160–161).

12.4 Local Solidarity and Identity

According to LGS research, citizens of Slovakia identify most strongly with their own community or city (and in the case of cities, also with the city district they live in), then with the region, and finally with Slovakia as their mother country. Two-thirds of citizens are proud of their own community or city, 60% are proud of their region, and more than half (52–56%) are proud to be Slovaks. Those living in municipalities with fewer than 5,000 inhabitants showed the strongest identification with their place of residence, those living in cities with more than 20,000 inhabitants showed less strong identification, and those from settlements with between 5,000 and 20,000 inhabitants identified least strongly with their place of residence (Velšic 2003).

Information gained by long-term monitoring of Slovak settlements and their inhabitants (Faltan, Gajdoš, and Pašiak 1995), as well as what has been learned about

the development of Slovak communities and cities in the early 1990s (when local self-governments were introduced), indicates clearly that Slovak citizens feel strongly about their place of residence and about the self-government of their communities and cities. That is why communities that were forcibly amalgamated in 1990 started to split apart again, this process continuing throughout the 1990s with a total of some 150 cases. This separation process took place mostly as the result of local referenda. Although there are numerous indicators showing the lack of interest of Slovak citizens in the management of public affairs, experience from the 1990s (elections and referenda) nevertheless shows that when it comes to the basic or crucial question of the existence of their communities and cities, large numbers of them can be mobilized.

Numerous sociological and ethnographic studies have come to the conclusion that the role of the neighborhood in Slovak communities and cities has been significantly weakened over the past couple of decades. Relationships with neighbors have become worse or have disappeared altogether and, apart from family members, people's closest links are now with colleagues, friends, and peers from the same interest group (Sopóci and Búzik, 2003). In the light of such views, we are now better equipped to understand the findings of the LRS research showing that in the communities and cities there exists both an average degree of mutual trust between people (mean value = 3.89; $s = 1.41$) and an average degree of mutual hostility (mean value = 3.53; $s = 1.26$). The evaluation was on a scale from 1 (not at all) to 7 (completely).

12.5 Legitimacy of the Political System

A whole series of representative surveys carried out in late 1990s showed that Slovak citizens had no unanimous opinion concerning the introduction and functioning of local self-governments. As time passed, the ratio of those optimistic about local governments even declined, as can be seen in Table 4.34.

As can be seen from the survey results, the majority of citizens did not show an interest in legal questions concerning local governments and state administration and the division of their respective responsibilities, nor could they understand them—they leave these questions to professionals and to their elected representatives in local self-governments. The same lack of interest was demonstrated towards the ongoing reform of public administration. What they did show an interest in, however, were the practical consequences the reform would have on their everyday lives or any other positive or negative consequences (Velšic 2002, 2003). They assess the reforms according to these consequences in everyday life.

Table 4.34
 Citizens' Views on the Effectiveness of Local Self-government
 and the Former Communist Local Administration [%]

	1997	1998	1999	2000	2001
Problems better solved now	21.3	19.8	18.2	17.0	16.2
Nothing has changed	33.9	31.8	33.6	32.5	35.8
Problem resolution now worse	24.6	24.8	22.5	25.7	26.7
Do not know, not interested					
No change perceived, etc.	20.2	23.6	25.8	24.8	23.3

SOURCE: Velsić 2003.

12.6 Conclusion

It seems that the political culture of the inhabitants of Slovak communities and cities has yet to rid itself of the heritage of the past totalitarian regime, including civil passivity, disinterest in public life and concentration on personal matters, a tendency to enclose themselves within the family circle or friends and acquaintances, etc. These characteristics assert themselves mainly in the degree of political participation in the local self-government.

The interest of citizens in local self-governments, their knowledgeability about it, and their involvement the management of public affairs have so far been recognized as the weakest points of the system of local self-government in Slovakia. The knowledge gained from surveys indicates that civic participation during the 1990s even declined slightly. People were less and less convinced that self-governments are better equipped to solve local problems than the old state administration. Typically, however, the most dissatisfied citizens have been the most passive ones, while the active ones have shown more trust in the new system of self-government. Since the higher degree of participation is typical of successful people with a positive attitude toward life, and because this group of people is unlikely to grow in the near future, there is little hope for any more civil participation in Slovak communities and cities. Therefore, even in the near future, in the system of local self-government representative democracy will dominate over direct, participatory democracy—a state of affairs unlikely to be changed by any attempts to arouse citizens to more action.

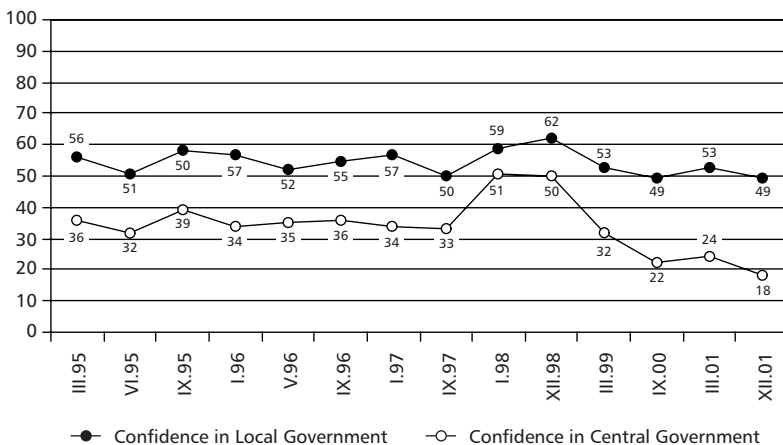
13. CONCLUSION

Today, everyone in Slovakia would agree that the revival of the system of local self-government has increased the autonomy of communities and cities, has made public life more democratic, and has opened new space for citizens to participate in the management of their communities and cities.

Slovak citizens mostly appreciate the revival, functioning, and perspectives of local self-government, but are ready to criticize its many shortcomings and problems. Quite naturally, the residents in municipalities have been much more critical of their local self-governments than the representatives themselves have been. When interviewed for the LRS, most of the mayors, lord mayors, and councilors were satisfied with the situation in their municipalities and expected a positive development in the future. Less than a third of all elected representatives were dissatisfied and only a quarter expected the situation to become worse in the future. Nevertheless, the representatives were more satisfied with the situation in their municipalities than with the developments in the whole Slovak Republic.

The majority of regular citizens also rated the functioning of local self-governments favorably. Thus, according to the representative survey of 2002 only a third of local residents were dissatisfied with the local government, while 40% claimed that during the last electoral term the situation improved (Velšic 2002, 2003). Opinion polls also seem to indicate that citizens have consistently felt more confidence in their local government than in the central government of Slovakia.

Figure 4.4
Citizens' Confidence in Local Governments
and the Central Government of the SR



SOURCE: Statistical Office of the Slovak Republic 1995–2002.

On the whole, the current situation and outlook for the future of local self-government in Slovakia can be rated positively. In spite of persistent difficulties accompanying its operation and development, the first thirteen years of existence of local self-government in Slovakia has shown that it is alive and kicking. In other words, self-governments proved to be able to manage the affairs of their communities at least as well as the earlier state administration. This has taken some burden off the government and institutions of the central state administration and has allowed for the gradual transfer of competencies to local governments. Thus, the process of post-communist transformation of public administration in the Slovak Republic has gradually been concluded.

The model of local democracy and local politics in municipalities and cities has been created predominantly on the basis of representative rather than direct, participatory democracy. The vulnerable point of local democracy continues to be the low disposition of citizens, and partly of civil organizations, to participate in the management of the public affairs of their communities and cities. Another weakness is the lack of pertinent skills on the part of elected representatives, skills needed to cope satisfactorily with all tasks associated with the management and development of their municipalities. The more demanding the tasks transferred to local self-governments, the more the inexperience and lack of managerial skills of elected representatives are bound to interfere with the satisfactory functioning of local self-governments.

According to opinion surveys, Slovak citizens consider the single most serious shortcoming of local governments to be their inability to provide adequate services for their residents. In particular, residents identified problems concerning the technical amenities of municipalities, such as water supply, gas networks, sewage tanks and plants, communal waste deposits, maintenance of local roads, clean and orderly public spaces, provisions for cultural and sports facilities in communities and cities, and assistance in individual housing (Vešić 2002, 2003).

The local representatives, as well as representatives of the Association of Towns and Villages, have repeatedly countered such claims by pointing out the perpetual lack of funds that has plagued municipalities, identifying this as the single most serious obstacle to the proper functioning of local governments, compounded by the ever changing and often inscrutable legislation, unfinished distribution of competencies between the state and local self-government administration and, finally, the excessive meddling of state administration in the competence of local governments (Mrva 2003).

Many of these findings have been confirmed by the LGS research. The administrative staffs of local self-governments consider one of the most serious problems to be their relationship with the state administration, in particular with regard to the inadequate funding of competencies transferred to the municipalities and the inflexible and often limiting regulations and frequent interference of the state administration in local affairs. Among the less serious problems they identified were problems with political

background (abilities and skills of councilors, relationships within the council itself and with the staff of the local council), and the perplexities of the local environment arising from the demands citizens make and how they respond to what the council does. The least serious issues, according to administrative staff, were the administrative conditions within local self-governments, i.e., issues concerning their professional skills and the nature and organization of executive tasks in local councils and city boards.

Thus, mayors, lord mayors, representatives of the Association of Towns and Villages, as well as the administrative staffs concur that local governments have been besieged with problems not of their own making and they fail to acknowledge any serious problems or shortcomings in their own performance. The art of self-reflection and self-criticism, it seems, is not yet part of the culture of those involved in municipal administration in Slovakia. Regular citizens do not seem to have realized yet that municipal management works not solely via the elected representatives, but with their active participation as well.

13.1 Strengths and Weaknesses of Local Democracy in the Slovak Republic

The following tables summarize the positive and negative features of local self-government in Slovakia that have been identified in the analysis of its various characteristics.

Local Autonomy

Strengths

- Local self-governments in Slovakia have a high degree of autonomy—each community is self-governed and independent of the central state administration;
- There is substantial scope to the authority of local self-governments;
- Laws regulating the authority of local self-governments are being continually improved;
- The central state administration has already transferred all significant competencies to local self-governments; and
- Regional self-government has been created (self-governed regions or higher territorial entities).

Weaknesses

- The reorganization of public administration in Slovakia is still not finished;
- Local self-governments are non-integrated—even the smallest communities are self-governed, in spite of their inability to carry out all required self-governing duties;

- Numerous powers of local self-government have yet to be put into practice, partly due to lack of funds and partly due to the incompetence of local representatives;
- Tax reform has not been completed, so local self-governments cannot collect all the local taxes and thus remain dependent on state subsidies;
- Revenues of local self-governments are insufficient and ridden with bad internal structure; and
- The organs of local self-government are incapable of handling all the powers and responsibilities relegated to them by the state administration, neither financially, technically, or logistically.

The Constitutional Character of Local Self-government

Strengths

- Slovak legislation concerning human, civic, and political rights is on a par with the European standard; and
- The same holds true for Slovak legislation on local self-government.

Weaknesses

- The standing laws are not always put into practice and the enforceability of the laws has also been insufficient;
- Problems have arisen with the provisions of the Municipality Act that define the status, powers, and mutual relationship of community mayors and of councilors;
- Municipalities and cities have failed to integrate Roma into the communities; and
- There has been insufficient participation of local residents in municipal public matters and hence not enough public pressure on local representatives to act lawfully.

Transparency and Accountability of Local Self-government

Strengths

- The laws requiring the representatives of local self-government to account for their activities to local inhabitants have been well designed;
- Most of the local representatives abide by those laws; and
- The Municipality Act defines rules for the mutual control of representatives of local self-government.

Weaknesses

- Local residents are insufficiently informed about the activities of their representatives, mainly because of their indifference to these matters;
- Neither Slovak laws nor the performance of the state and local administration have thus far created sufficient deterrence against corruption or have been able to prevent conflicts of interest among the local representatives; and
- The SR is considered a state with a high degree of corruption and clientelism, including corruption in the ranks of local representatives.

Effectiveness of Local Self-government

Strengths

- The majority of local self-governments in the SR are able to design and execute plans for further development and decide on matters concerning their municipalities fairly effectively.

Weaknesses

- Lack of funds prevents local self-governments in numerous municipalities from embarking on more diversified development plans; and
- In many municipalities lack of funds causes prepared projects to be abandoned.

Representative Character of Local Self-government (Elections and Referenda)

Strengths

- Past elections to local self-governments have taken place without major problems; and
- Municipal elections in the SR are focussed on individuals rather than parties.

Weaknesses

- The widespread indifference of residents of small communities toward public office often makes it hard to find suitable candidates;
- The turnout in municipal elections is lower than in parliamentary elections.

Local Political Parties

Strengths

- In larger municipalities and in cities there are branch offices of political parties; and
- In smaller municipalities the civil form of local politics prevails over the party-dominated form.

Weaknesses

- As a rule in smaller municipalities there are no branch offices of political parties, sometimes not even of a single party; and
- In larger municipalities and cities the local political pattern is typically party-dominated, often leading to situations where party factions set their own partial interests over those of the whole community.

Local Representatives

Strengths

- Minorities with an advanced political identity (mainly the Hungarian minority) have had their proportional share of representatives in local councils;
- There has been a natural continuity in the occupation of positions of local representatives and twelve years after the change of political system only 11% of local representatives remain in their positions;
- The level of education of local representatives has grown significantly and now exceeds that of the general population by a high margin;
- More than 60% of local representatives occupy a position in an NGO;
- The representatives largely trust mayors, persons with a key position for creating mutual trust in local councils;
- Political parties in larger municipalities fulfill an integrating role, creating a background for majority coalitions;
- Local Slovak representatives believe in the supremacy of democracy, support a democratic political system and its institutions, and consider themselves representatives of all.

Weaknesses

- Women have not been proportionately represented in elected positions; political parties do not adequately support women wanting to join politics;

- Minorities with a low political identity (mainly the Roma) have been under-represented in local councils;
- Representatives in the smallest of municipalities show the tendency to isolate themselves from the outside world, a dangerous tendency in a high proportion of small municipalities in Slovakia; and
- Local representatives show a disturbingly low level of trust in the courts and judiciary institutions.

Responsiveness of Local Governments

Strengths

- In 78% of municipalities there is at least one active civil organization and in 13% local government provides some services via a nonprofit organization;
- In 50% of municipalities NGOs participate in decision-making;
- Mainly in large municipalities, NGOs enjoy a high degree of independence, have an influence on local politics, and can gain the respect of local governments;
- Public gatherings have been an important means of communication of local governments with citizens;
- Interaction between local governments and citizens has been borne by mayors who, generally speaking, have created enough room to sustain it; and
- Local representatives are well acquainted with the needs of citizens and generally heed them.

Weaknesses

- The Roma minority feels a sense of inequality and injustice;
- The sense of inequality and injustice has been connected with the handling of subsidized housing;
- The needs and expectations of citizens go far beyond what local governments can provide; and
- Local governments exhaust most of their potential in dealing with critical situations.

Local Media

Strengths

- The media provide information on public life from time to time in 55% of all municipalities;

- Local, printed mass communication exists in all municipalities with over 5,000 inhabitants and in 88% of those with more than 2,000 inhabitants; and
- The number of media owned by private companies has grown; these provide coverage on public life in considerable detail even in small municipalities.

Weaknesses

- In small municipalities, the media owned by local government merely make decisions public and have no detectable ambition to serve as a means of communication with citizens; and
- Local markets are too poor to support the existence of independent local media that could act as means of public control.

Local Civil Society Organizations

Strengths

- A fairly dense network of civil society organizations exists in Slovak communities and cities;
- They have a large membership, usually consisting of the most active citizens, i.e., the core of the local human civil potential; and
- Their members are experienced in municipal public activities and have a record of service in the organs of local self-government.

Weaknesses

- Civil society organizations have only a weak legal status in local politics;
- The public image of (some) civil society organizations is not yet quite positive; and
- Cooperation with local self-governments remains unsatisfactory.

Citizens' Political Culture

Strengths

- Significant numbers of citizens are able to mobilize themselves in key situations for local self-government; and
- The inhabitants of Slovak communities and cities continue to be active.

Weaknesses

- Citizens have little interest in matters concerning local self-government;
- Local residents have insufficient information about the local self-government; and
- There is a low degree of citizen participation in the management of public affairs.

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WEBSITES

www.government.gov.sk.
www.ymos.sk.

APPENDIX I

Table A4.1
The Structure of the Municipal Budget in Slovakia (2000)

Budget Item	Amount [Slovak crowns]
Total revenue	27,354,560,000
Tax revenue	12,799,230,000
Taxes on income, profits, and capital gains	7,666,880,000
Salaries and compensation	6,440,160,000
Property tax	3,606,160,000
Domestic goods and services taxes	1,514,720,000
Non-tax revenue	10,691,600,000
Entrepreneurial activity and property income	704,390,000
Administrative and other fees	1,265,980,000
Domestic credits and deposit interest	246,970,000
Other non-tax revenues	5,931,490,000
Grants and transfers	3,739,380,000
Revenues from repayment of credits and the share of purchases	124,350,000

SOURCE: Slovak Statistical Yearbook 2001.

Table A4.2
Income of Local Budgets [Billions of Slovak crowns]

Year	Total	From Revenues	From the State Budget
1991	16,175	8,214	7,961
1992	20,627	18,242	2,385
1993	20,966	19,445	1,521
1994	20,073	8,993	1,080
1995	22,236	21,046	1,190
1996	22,858	22,562	1,266
1997	26,685	24,900	1,785
1998	25,929	23,851	2,078
1999	24,181	21,945	2,235
2000	27,354	24,588	2,766

SOURCE: Slovak Statistical Yearbook 1992–2001.

APPENDIX 2

Table A4.3
Political Parties

ANO	Alliance of New Citizens
DS	Democratic Party
DU	Democratic Union of Slovakia
HZD	Movement for Democracy
HZDS	Movement for a Democratic Slovakia
KSS	Communist Party of Slovakia
KDH	Christian Democratic Movement
OKS	Civil Conservative Party
PSNS	True Slovak National Party
ROI	Roma Civil Initiative in Slovakia
SDKU	Slovakian Democratic & Christian Union
SDK	Slovakian Democratic Coalition
SNS	Slovakian National Party
Smer	Smer Party
SDA	Social Democratic Alternative
SDSS	Social Democratic Party of Slovakia
SDL	Party of Democratic Left
SMK	MKP Party of Magyar Coalition
SOP	Party of Civil Understanding
SZS	Green Party of Slovakia
ZRS	Association of Slovak Workers

Comparing
Local Democracy in
Central and Eastern Europe

Paweł Swianiewicz

Comparing Local Democracy in Central and Eastern Europe

Paweł Swianiewicz

1. INTRODUCTION—ANALYTICAL FRAMEWORK

The aim of this paper is comparative and descriptive. The paper compares the practical functioning of local democracy in five countries of Central and Eastern Europe. In addition to the three countries reported in this volume (Bulgaria, Estonia, and Slovakia), the foregoing analysis will involve two other countries (Hungary and Poland), also covered by the Indicators of Local Democratic Government Project's (ILDGP) extensive surveys of local government councilors and chief executive officers. We focus on the municipal tier of local governments, leaving aside structures on a county or regional level. For example, we do not analyze the functioning of *kraj* (regions) in Slovakia, or *powiat* (counties) or *województwo* (regions) in Poland. In CEE we need to remember, however, that the upper tiers of elected subnational governments are usually either very weak (especially in functional and financial terms) or do not exist at all.

In this paper we concentrate on a description of the current situation, placing minimal attention on the explanation of identified differences. Nevertheless, even a pure description requires an analytical framework that helps us to identify the main similarities and differences. It should be stressed that we are unable to utilize the whole richness of the material provided by IDLGP surveys. We concentrate on the areas that are directly related to the analytical framework described below.

1.1 Democracy Requires Democratic Institutions

How can local democracy be compared in different countries of the region?

Democracy is a term that requires definition. The Indicators Project presented in this volume is based on Beetham's (1994) conceptualization. He argues that democracy implies decision-making about collectively binding rules and policies. Decision-making is democratic to the degree that it *is subject to the control of all members of the collectivity considered as equals* (Beetham 1994, 28). Schmitter and Karl (1991), in their classic essay, define democracy as a system in which government is accountable to citizens,

who act through their elected representatives, and who are competing and cooperating with each other at the same time. Democracy requires procedures and following agreed principles. Such necessary procedures are summarized by Robert Dahl (1971, 34) in the following items:

- Decisions of government are controlled by elected politicians;
- Elections are regular, free, and fair;
- Practically all adult citizens have a right to vote;
- Practically all adult citizens have a right to be elected;
- Citizens may present their opinions, not being punished for what they are saying;
- Citizens have access to alternative sources of information;
- Citizens may organize associations or organizations, including political parties and interest groups.

Schmitter and Karl (1991) add two more to this list:

- Elected representatives can introduce their policies without opposition from appointed bureaucrats;
- Decisions are made independently of other political systems.

In discussing the evaluation of democracies in post-communist Europe, Morlino (2004) formulates (on the basis of his review of classic writings) the following minimal criteria of democracy:

- More than one political party;
- Free elections;
- More than one source of information;
- Decision-making not restricted by non-elected elites.

Therefore, our starting point needs to be a description (and comparison) of formal government institutions. We analyze the broad electoral framework as well as the relationship between elected and non-elected local government bodies.

1.2 Local Democracy Requires Local Autonomy

Since we are interested in LOCAL democracy we need to assess local autonomy. This condition is directly related to the last item on Schmitter and Karl's as well as on Morlino's lists of criteria. In the analysis of local democracy the strong influence of upper tiers

on local decision-making would be equivalent to the intervention of another political system and/or restriction of local decisions made by non-elected elites (in this case, central-level politicians or bureaucrats).

To compare local autonomy we will apply Page and Goldsmith's (1987; see also Goldsmith 1995 and 2002) framework of central–local relations.¹ The model distinguishes between three dimensions of central–local relations:

- Functions (how broad is the scope of functions allocated to local governments). The size of local government spending (compared to total public, or—easier to measure—to national GDP) is a sufficient, although a bit simplistic, measure of this dimension of autonomy;
- Discretion of local governments over decision-making. The freedom of local governments may be limited in several ways, including
 - Regulation of revenues (list of local taxes available for local governments, but flexible enough that local councils may decide upon local tax rates, financing through state grants, including conditional grants, etc.);
 - Regulations on expenditure (including limits imposed on local government borrowing power);
 - Setting central norms and standards on delivery of services. In this case, not only central government but also EU regulations gain more and more importance;
- Access of local governments to the formulation of central policies.

In the case of discretion, Page and Goldsmith distinguish between “statutory regulation,” in which *once the laws have been passed, local authorities can do as they please so long as it is within the law* (1987, 159) and control which is exerted through individual, administrative decisions of state officials. Goldsmith (2002) notices that a shift from direct to indirect modes of control has been typical for Western Europe in recent years. According to Page and Goldsmith, there is also an important difference in the dominant mode of access to the formulation of central policies. In some countries the dominant way is through negotiations (with central government, trade unions representing local employees) conducted typically by local government associations; in others it is more through direct contacts of individual local governments (and influencing individual administrative decisions).

1.3 Local Democracy Functioning May Be Assessed through its Legitimization

The framework presented above will guide us in the description of the formal institutions of local democracy. But in order to understand better its performance we will refer to

the concept of legitimization of the system. We may start from a notion of institutional performance, which Putnam (1993) defines through:

- Responding to local community needs;
- Goal-setting skills;
- Efficient decision-making;
- Implementation of the adopted decisions/accomplishment of the adopted objectives.

The above dimensions of efficient management formulated by Putnam can also be easily referred to as the conditions of legitimacy, as discussed by Haus and Heinelt (2005):

- The condition of responding to needs is closely linked with a need for genuine public participation. This means an opportunity to express satisfaction or dissatisfaction concerning proposed solutions as well as to influence decision-making. Thus, the voice of citizens becomes audible, and the voice of the electorate genuinely counts. All this signifies “*input legitimacy*.”
- Putnam’s processes of goal-setting and decision-making are linked with the transparency of the processes taking place in self-governmental institutions, as discussed by Haus and Heinelt. Accountability before the electorate and openness of the political process, both inextricably linked with each other, are prerequisites of “*throughput legitimacy*.”
- Putnam’s evaluation of institutional performance from the point of view of the outcomes of the conducted actions refers to the capability to solve the local community’s problems, which in turn constitutes a third type of legitimacy through effectiveness (“*output legitimacy*”).

Haus and Heinelt notice that the crisis of local democracy in European countries (mentioned in chapter 1) is connected to all three types of legitimacy summarized in Table 5.1.

The quoted original division by Haus and Heinelt ignores an important aspect of the legitimacy of authorities’ actions and related to the legitimacy of objectives realized by politicians. Quite apart from the three dimensions discussed by Haus and Heinelt, it is indeed essential whether the authorities’ community partners actually accept the goals of the undertaken actions. This does not have to be connected to direct involvement in decision-making or transparency of procedures, or with the achievement of the adopted objectives. According to Haus and Heinelt, input legitimacy refers only to “legitimacy through involvement.” However, not all the parties interested in the realization of a goal had to vote in favor of a given initiative, not to mention that they did not necessarily take part in consultative procedures. In democratic praxis, the “legitimacy through

involvement” as defined by Haus and Heinelt partially coincides with the theoretical notion of procedural democracy (Schumpeter 1995) and, to a certain degree, can also overlap with throughput legitimacy.

Table 5.1
Different Forms of Democratic Legitimization

	Principle	Criteria	Phenomena of Crisis
Input legitimization	Participation	Consent	Decrease of voter turnout
Throughput legitimization	Transparency	Accountability	Opaque institutions
Output legitimization	Effectiveness	Problem-solving	Policy failure

SOURCE: Haus and Heinelt 2005.

Due to these reasons, it seems justified to introduce a certain modification—in talking about input legitimacy we will also take into consideration to what degree local government activities are supported by the community from the point of view of their purposefulness. Do the actors think that undertaking these activities is generally a good idea? An alternative term that we could use is *legitimacy of purpose*.²

1.4 Analytical Framework—How to Apply It?

This chapter is first of all a comparative summary of national reports presented earlier in this volume. The comparison of local electoral systems and other elements of democratic institutions very much relies on data in the national reports, although other sources of information are used too.

The functional dimension of local autonomy will be measured mainly by the share of local government spending in GDP. Analyzing other dimensions of local autonomy, apart from descriptive information in national reports as well as in other literature, we also can refer to some of our survey data. For example, local discretion may be assessed through the opinions of councilors on the impact of regional and local governments on local decision-making as well as through the perceived impact of regional and central government’s opinions on decisions made by councilors. In assessing the mode of access, we will look at the existence and role played by local government associations, as well as at *cumul des mandates* (holding some positions in central government by local politicians) practices.

As regards various dimensions of legitimacy of the local government system, we mostly refer to ILDGP survey data (also analyzed in the country chapters of this book).

Survey data provide an excellent and unique opportunity for comparisons, although it is not free of serious limitations. First of all, we rely on survey data, which means that we mostly analyze the opinions of our respondents, which—by definition—are their subjective feelings, and which might not be identical with “hard facts.” Secondly, we have at our disposal a one-sided picture, as we do not have direct data on citizens’ opinions, which are known only through the impressions of our respondents. We do not know to what extent councilors’ and officials’ perceptions of what typical residents think reflects the real picture. Luckily, in some national reports, survey data are supplemented by information on public opinion studies. Similar information is also available in some other publications (e.g., Swianiewicz 2001), but it is not fully comparable, and we need to remember this limitation while drawing final conclusions from our comparisons.

Nevertheless, ILDGP data include plentiful information allowing an assessment of all three dimensions of democratic legitimization.

1.5 Input Legitimacy

We start with the simplest aspect of this dimension, looking at who the local representatives are. What is their gender, age, education, and nationality structure? Obviously, representation does not require exactly following the social structure of the electorate by elected councilors, but in practice we know that too large a discrepancy can make a problem. We also ask to what extent local government reform brought continuity or change in the local political elites? We can easily measure this by the proportion of councilors who played an important role in official political institutions before 1990.

Then we turn to other aspects of input legitimacy, i.e., to various opportunities local community members have to transmit (directly or indirectly) their preferences on local issues such as:

- The ability of citizens to directly influence decision-making, with special attention placed on local referenda;
- Citizens’ interest in local public issues, measured first of all by the turnout in local elections;
- Formal regulations on decision-making as well as the reputation of the community power structure;
- Consideration of different interests by councilors; also councilors’ opinions on declarations in conflict situations;
- The number of information sources declared to be used by local councilors;
- The existence of civic society structures measured by NGOs—their number, activeness in local governance, and perceived impact on local decision-making;
- The role of political parties in local politics.

In order to present our findings in a concise form, instead of extensive presentation of each of the variables (items of questions) we concentrate on summary indices taking into account several items of the questionnaire.

1.6 Throughput Legitimacy

The ILDGP survey includes few questions covering throughput legitimacy. Nevertheless, national reports include interesting information on rules and practices of access to information as well as on local corruption, which is one of the main barriers for transparent decision-making. The survey data itself includes questions allowing for indirect analysis of throughput legitimacy—a question asking about cases of clientelism in local decision-making and questions on citizen's access to various sources of information on local governments' activities as perceived by local government officials (including the existence and quality of local media).

1.7 Output Legitimacy

We do not learn much about the actual outputs of local government activities, but some questions do refer indirectly to output legitimacy. Moreover, we may (at least partially) measure output legitimacy through the assessment of local administration's willingness and capacity to introduce management changes. In this section we take into consideration the following items:

- Opinion on the performance of democratic local governments as compared to the pre-1990 local authorities;
- The existence of various programs/policies that might support management change;
- The existence of some management reforms, such as partnership with NGOs in delivery of functions;
- Councilors' and CEOs' assessment of the quality of local government staff;
- The ability of local assemblies to make smooth decisions;
- The self-declared skills of elected representatives, such as their ability to use the Internet.

2. INSTITUTIONS OF LOCAL DEMOCRACY

2.1 Territorial Organization

In the present paper we concentrate on the municipal tier of subnational government. Importantly, attention should be drawn to the absence or weakness of meso-level³ elected government in CEE countries as an after-effect of the post-communist transition. Opposite to the tendency in many West European countries, where new tiers of government have been created or strengthened during the last twenty to thirty years (Sharpe 1993), the above-communal level of government was significantly weakened in all CEE countries.

There is a lack of an elected upper tier of local government in Estonia and in Bulgaria, despite the regional level clearly being mentioned in the Bulgarian constitution. In Hungary, the level of 19 counties (*megye*) (plus 22 cities with county rights) has been kept, but its functions and powers have been seriously weakened compared to the previous period. In Poland and Slovakia, the 1990 wave of reforms allowed for local self-government on a communal level only. The county or regional elected government needed to wait till 1999 (with the creation of *powiats* and *województwo* self-governments in Poland) or even 2002 (the establishment of *kraj* governments in Slovakia). Moreover, even after the establishment of meso governments, their functions are usually very narrow, their financing is heavily dependent on transfers from the central budget, and they have either none or a very limited role in coordinating (or influencing) the lowest level governments' activities. Most of the vital services as well as any revenue-raising powers have been largely reserved for a municipal (communal) level of self-government. This is illustrated in Figure 2 (later in this chapter), which shows that the vast majority of subnational public spending goes through the city/communal level.

The origins of the weakness of the meso level lay in pre-1990 history. Regions or counties exerted direct control over municipalities, and their strong position was synonymous with the oppression of local autonomy. Therefore, the unwillingness to give significant powers to the meso level was dictated largely by the fear of reformers and local politicians that the upper tier would still try to control municipal governments.

This in turn confirms that a discussion of the municipal level is most crucial to understanding the present status of local democracy. Among the countries covered, there is also a wide variation of municipal-level territorial organization.

During the communist period, the widespread belief in economy of scale, together with an authoritarian style of governance, led to massive reforms. Territorial consolidation was introduced without real consultation with local communities. Not surprisingly, a strong bottom-up pressure for fragmentation was a natural reaction for earlier reforms in many countries.⁴ This resulted in extreme fragmentation of local governments in Slovakia,

Hungary, and—to a lesser extent—Estonia. In Hungary the number of municipalities was reduced from 3,021 in 1962 to 1,364 in 1988, but then increased to 3,133 in 1992. Changes were similar in Slovakia, where presently almost every village has its own local government, and in the anecdotal case of Prikry Village it has just two residents.

But the same pressure for fragmentation has not manifested itself with a similar strength everywhere. Polish communes were amalgamated in 1973, their number was reduced from more than 4,000 to about 2,400, and their number remained relatively stable until now (the present number of municipal governments is 2,491). In Bulgaria the number of municipalities was reduced from 2,178 in 1949 to 255 at the end of 1980s, and is very similar at present.

The variation in size distribution of municipal governments is illustrated in Figure 5.1. As illustrated in Table 5.1, the same variation is repeated in our surveys of chief executive officers and councilors, even if there is quite visible overrepresentation of local governments from larger sized cohorts. A slightly higher bias towards big municipalities in the case of the councilors sample is easy to explain, since councils in larger local government units usually have more deputies. Naturally, the nature of local democracy is different between countries where most local governments have a constituency of less than 1,000 citizens (Hungary, Slovakia, or Estonia) and those where most municipalities are much larger, with several thousand residents (Bulgaria or Poland). In the former case, there is a much more favorable chance for direct, personal contacts between voters and elected representatives; in the latter, one may expect more focus on efficiency in delivery of variety of local services. In their analysis of Western Europe, Page and Goldsmith (1987) argue that the size of municipal governments also influences the nature of central–local relations. It should be stressed that many of the indices used in this chapter (as well as in national reports) significantly depend on the size of municipality. Therefore, we can discover considerable differences between average scores for individual countries; however, they reflect differences in territorial organization rather than differences between two cities of similar size in two different countries. We will be returning to this issue, when discussing individual indices.

Figure 5.1
Distribution of Local Governments According to Population Size

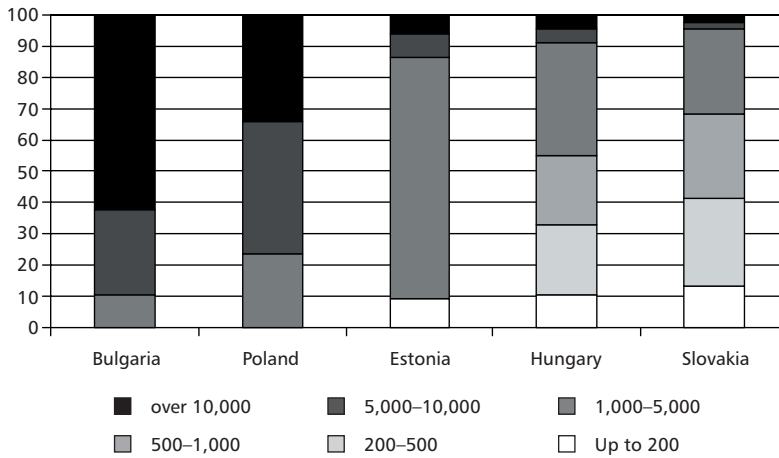


Table 5.2
Size Distribution of Local Governments [%]

		Bulgaria	Estonia	Hungary	Poland	Slovakia
Below 1,000	Whole country	0.0	9.4	54.9	0.0	68.5
	CEO sample	0.0	10.0	41.5	0.0	45.0
	Repr. Sample	0.0	4.0	21.2	0.0	33.7
1,000–5,000	Whole country	10.6	76.8	36.3	23.6	27.3
	CEO sample	7.5	69.7	33.9	17.1	34.4
	Repr. sample	2.6	51.0	34.5	15.5	38.5
5,000–10,000	Whole country	27.0	7.9	4.4	42.3	1.8
	CEO sample	24.3	13.7	7.7	30.6	8.3
	Repr. Sample	21.2	29.0	9.0	23.6	10.6
Over 10,000	Whole country	62.4	5.9	4.3	34.1	2.5
	CEO sample	68.1	6.5	16.8	52.3	12.1
	Repr. sample	76.2	16.1	35.3	60.9	17.2

2.2 Local Elections and the Formal Power Structure

In all five countries the most important representative body is the local council, which is elected for a four-year term (except in Estonia, where the term is three years; a four-year system is under discussion). In most cases, the electoral system is proportional, and larger municipalities are usually divided into multi-mandate electoral wards. The following exceptions to the principle of proportionality of council elections are:

- Poland—in local governments with less than 20,000 citizens, council is elected in simple majority systems;
- Hungary—there is a majority system in local governments with less than 10,000 citizens, and a mixed system in larger municipalities.

Our sample of countries also reflects a widespread tendency to introduce the direct (popular) election of mayors. Estonia is the only country among our five in which the mayor is appointed by the council. In Slovakia and Bulgaria direct elections were introduced at the beginning of 1990s, in Hungary in 1994 (before this, Hungarian mayors were directly elected only in small local governments), and in Poland in 2002.⁵ However, the position of mayors in CEE countries is relatively weak, compared to the position of their directly elected colleagues in several West European countries. For example, they do not have a guaranteed majority in the council. It may lead, and does often lead, to serious management problems when the mayor faces an opposition that holds the majority in the council. If we remember the low stability and high fragmentation of political parties in CEE countries, we can expect numerous cases in which effective decision-making may be difficult. Among forty-two Polish cities with a population over 100,000, only seven mayors have the clear support of the majority of councilors. In most of the remaining cases he/she needs to rely on more or less stable coalitions. In five cities the situation is even more complicated—the majority in the council is held by a group definitely in opposition to the mayor (Swianiewicz and Klimska 2003). The mayor usually submits a budget proposal to the council. But councilors may introduce preferred changes to the proposal, which in turn cannot be vetoed by the mayor (with some exceptions, such as in Poland, where the mayor can disagree with the suggestion to increase borrowing by the city).

Table 5.3
Position of Directly Elected Mayors in the Analyzed Countries

	Guaranteed Majority in the Council for Mayors' Group?	Chief Executive Position	Discretion in Appointment Decisions, Organizational Structure of Administration	Budget Decisions
Bulgaria	No	Yes	Moderate—mayor decides on most appointments, but organizational structure and deputy mayors have to be approved by the council.	Mayor submits a proposal, which can be changed by the council.
Hungary	No, election of mayor does not need to be on the same day as for the council.	No, mayor acts through CAO who is appointed by the council.	Weak, CAO appoints officers.	Mayor submits a proposal, which can be changed by the council—in practice asymmetry between full-time mayor and “amateur” councilors.
Poland	No	Yes	Moderate—mayor decides organizational details and appoints most key administrators, but appointment of the treasurer and city secretary requires approval of the council.	Mayor submits a proposal, which can be changed by the council. But council must not increase amount of borrowing.
Slovakia	No	Yes	Strong	Mayor submits a proposal, which can be changed by the council.

2.3 Local Government after 1990—Continuity or Change?

Apart from the depth of the legal change in the institutional setting of local democracy, it is important to note to what extent the local government reform has been perceived as a “new opening” and to what extent as introducing new rules into the existing system. In some countries, 1990 brought a dramatic turnover among local elites. For example, in Poland all the mayors of the fifty largest cities elected in 1990, and a large proportion of councilors, were recruited either from the democratic opposition of the 1980s or were

not involved in any public activity previously. For them, local self-government started in 1990, and what happened before happened in “another world.” Local elites in this group of countries usually think that we should not use the term “local self-government” to describe the old reality.

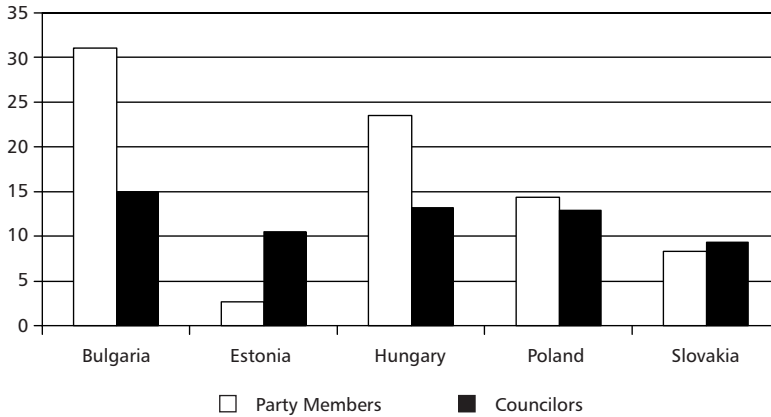
But in some other countries of the region, the situation is different and the local government reform of the 1990s may be summarized as an attempt at reforming old, existing structures, but without breaking ties with the tradition of the old *soviets* (councils). In these countries, most local politicians treat the history of their city governments as a kind of continuity (so it is possible to talk, for example, about something which “has over twenty years of tradition in our council”).

In our sample we do not have countries that would be the most typical for the latter model (Ukraine, Moldova, and Russia would perhaps be classical examples). We do not have the precise measure of feeling of continuity or discontinuity, either. But indirectly we can measure this by the proportion of councilors who either were members of political parties or had the experience of sitting in local people’s councils before 1990. Figure 5.2 provides such information.

There is no doubt that personal continuity is the largest in Bulgaria—it concerns both former party and local council’s members. Almost one-third of present Bulgarian councilors were party members before 1990 and one in six was also a deputy to a people’s council. The lowest proportion of former party members has been found in Estonia and then in Slovakia. However, the declarations of Estonian respondents should probably be interpreted in a slightly different way than the rest. Estonia was not an independent country (even formally) before 1990, and in such circumstances membership in the communist party was much more strongly seen as identification with the occupying forces. Consequently, declaring their old party membership today may be more difficult for Estonian councilors than it is for respondents from other countries.

There is much lower intercountry variation in the “old councilors” rate, but once again there is a clear distinction between Estonia and Slovakia, with the lowest, and Bulgaria with the highest proportion of continuity.

Figure 5.2
Proportion of Councilors Who Were Party Members or Councilors before 1990



3. LOCAL AUTONOMY—CENTRAL–LOCAL RELATIONS

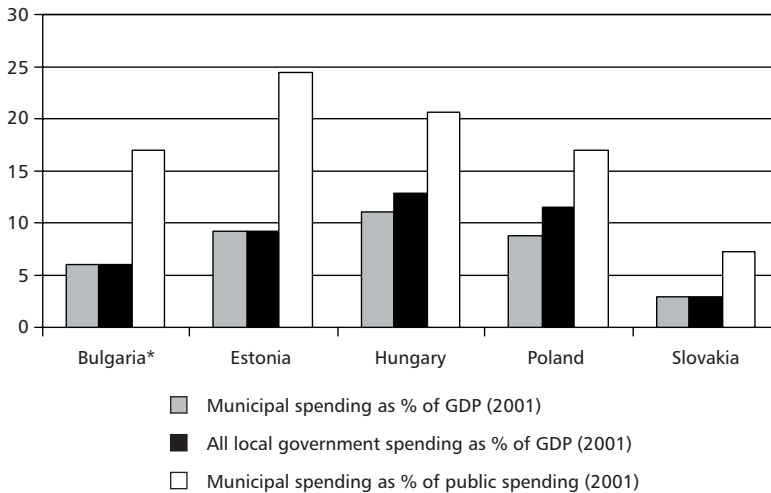
3.1 Functions

Data provided in Figure 5.2, suggest that—in terms of allocation of functions—CEE countries remain more centralized than most countries in the northern part of Western Europe. The share of subnational governments' spending in GDP varies from between below five percent in Slovakia to slightly over ten percent in Hungary and Poland. The same share in north-western Europe is often above fifteen percent (Netherlands, Finland, and Norway) or even above twenty percent (Sweden and Denmark). We should mention that, especially in Slovakia, the situation has changed since 2001. After this date, the Slovak government implemented regional government reform and decentralized more functions to municipal governments, but we do not have newer, fully comparable data.

As is clear from Figure 5.3, the municipal government is the main agent of subnational spending, while the upper tier plays either no role or a marginal role in this respect. Apart from spending measured as a proportion of GDP, we also use an alternative measure of functional decentralization—the share of municipal in total public spending. This measure seems to be more precise, but it creates several methodological and data problems due to the existence of various extrabudgetary public funds in several countries that are very difficult to take into account in a fully comparable way. However, relying on Dexia estimates (Local Finance... 2000 and 2004) we may report that this share

varies from twenty-five percent in Estonia to less than ten percent in Slovakia. But these estimates are based on several controversial assumptions and should be treated with some caution.

Figure 5.3
Indicators of Functional Decentralization



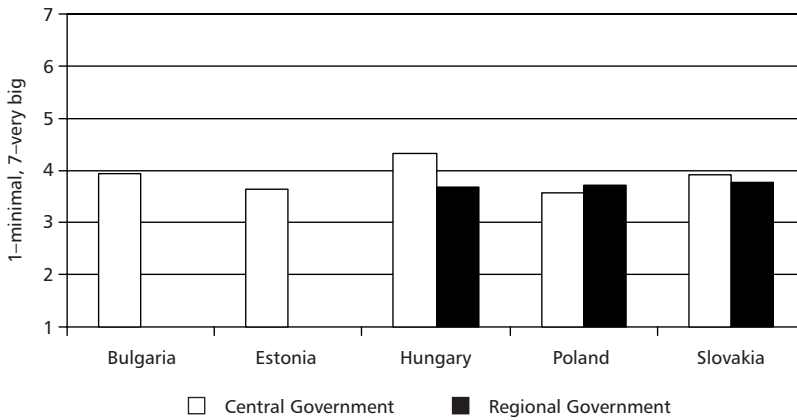
NOTE: * Data from 1998.

SOURCE: *Local Finance in Eleven...*, 2000; *Local Finance in the Ten...*, 2004.

3.2 Discretion

The second dimension of central–local relations is directly related to the notion of local autonomy, since it analyzes local discretion in decisions over the functions municipalities are responsible for. We start by looking at the subjective perceptions of the impact that upper tiers have on local decision-making. Figure 5.4 is based on a mean of answers to two questions: “What is your sense of how much the influence is of the following bodies on the decisions of your local government?” and “When making a decision as councilor, to what degree do you feel it is important to give special consideration to the following groups?”

Figure 5.4
Impact of Upper Tiers on Local Decision-making—Perception of Councilors



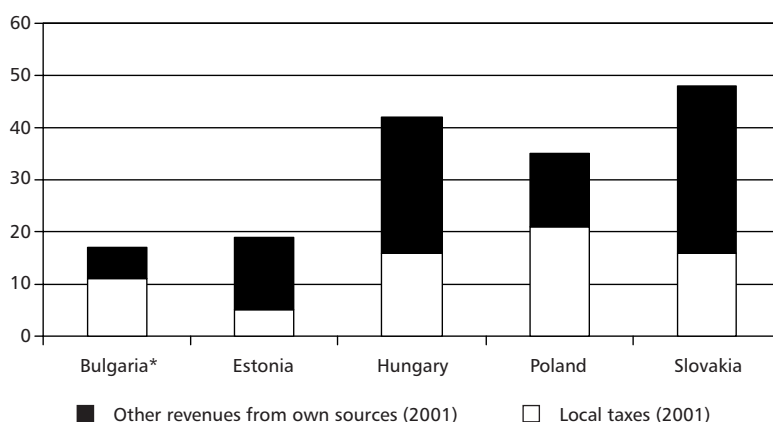
The answers of respondents in individual countries are very similar, and in general the impact of the upper tiers is perceived as moderate. It is felt slightly less in Poland and Estonia while it is perceived as a bit stronger in Hungary, but the differences are very small. We noted before that the regional tier is usually very weak in CEE countries and that a lot of effort has been made to secure mutual independence of the tiers of sub-national government. Therefore, it is a bit surprising that the impact of the regional tier is seen as only slightly less important than the impact of central government (in Hungary and Slovakia), and even more significant in Poland. But we should note that both in Hungary and Poland, there is a strong negative correlation between the perceived impact of regions and the population size of a municipality, so this relatively strong impact is mostly felt by small local governments. In Slovakia the survey was conducted just after the introduction of the upper tier, so results may be treated as a sign of fear rather than a rational assessment of the existing situation. The situation in Poland is especially interesting—it is the only country in which the perceived impact of the regions is seen as stronger than that of the central government. Indeed, while Polish regional governments are very weak in functional terms, they play an increasing role in the allocation of investment support funds to municipal governments. Small local governments (unable to generate their own development resources) most often require this external support, and this fact perhaps provides a rational explanation of the negative correlation between the size and the perceived impact of regions.

One of the most important ways in which local discretion is limited is through the allocation of funds. The most severe control is exerted through conditional grants, which can be used only for the purpose indicated by the source (usually central government).

We have incomplete comparative data on conditional grants, but we know that this issue is important in most of the analyzed countries. The Estonian national report informs us that, although grants constitute a minority of municipal revenues, the trend over the last few years has been negative, i.e., there was a decreasing share of own and an increasing share of conditional grants in the overall budget revenues. In Poland in 2002, conditional grants constituted around fifteen percent of municipal revenues, but in some ministries there has also been a visible tendency to develop this method of funding. The Slovak report provides evidence of using party or political loyalty principles in deciding upon the allocation of state transfers to local governments from 1994–98. We also know that other periods and other countries are not totally free of this form of informal control.

On the other hand, the highest level of local discretion may be expected if local taxes and other own source revenues provide a big share of local budgets. The proportion of these revenues in municipal budgets is illustrated in Figure 5.5.

Figure 5.5
Structure of Municipal Government Revenues [%]



NOTE: * Data from 1998.

Local taxes are the most important in Poland (where they provide over twenty percent of total budget revenues), then in Hungary and Slovakia, but much less significant in Bulgaria and Estonia. It should be added that in CEE countries, local governments have only limited discretion to decide upon the rates of local taxes. In Poland, for example, there is a maximum (ceiling) that limits tax rates. In Hungary there is a list of a few local taxes that municipalities can choose from. Other own sources of revenues play the most important role in Slovak and Hungarian municipal budgets. They consist mainly

of fees and charges as well as revenues from municipal property. Also, in this case, the actual discretion of local governments differs from one country to another and (in the case of fees for services) from one function to another. The scope of this paper does not allow more detailed discussion of this issue.

Norms and standards are another form of limitation of local discretion. Until recently the main source of this limitation was central government and parliament. In some countries and in some functions those norms have been extremely rigid, leaving almost no space for local decisions. Recently, many standards have been introduced or reformulated, due to an EU requirement to comply with European directives related to various services local governments are responsible for. This issue is strongly stressed in the Estonian report.

Our data allow us to describe—using Page and Goldsmith's (1987) terminology—the statutory means of control, but we know that in the countries analyzed there are also numerous cases of control exerted through individual/administrative decisions. The Slovak case of political bias in the allocation of state funds to local governments is just one of several possible examples.

3.3 Access

How can local governments influence central level policies concerning their functions? First of all, we should stress that in all five countries there are national associations of local governments that play an important role in lobbying and in negotiations with central level authorities. In Slovakia and Bulgaria there is one such association (ZMOS and NAMRB, respectively), while in the remaining countries the official municipal representation is more fragmented. In Estonia there are two national associations, and their official forum for discussion with central-level authorities is the Cooperation Assembly of the Local Government Unions. However, the Estonian report notes that this body has not been too successful and that the Government has ignored most of the proposals submitted by the unions. One source of this weakness is the frequent inability of the two major unions to reach a common opinion.

In Poland there are four major municipal government associations (ZGW—Association of Rural Local Governments, UMP—Union of Small Towns, ZMP—Association of Polish Cities, and UMP—Union of Polish Metropolises). Membership in these associations is not obligatory, and they unite from twelve (a dozen of the largest Polish cities in the Union of Polish Metropolises) to over 400 associations (in the case of the rural local governments). More than half of Polish municipal governments do not belong to any national organization. Nevertheless, they play an important role in shaping central-level policies—together with the representation from county and regional governments, they sit in the Joint Central-Local Government Committee, with a formal

and important role in legislation. None of the legislation concerning local government can be voted on by the Parliament before it is discussed by the Joint Committee. Although its opinion is not binding for the Parliament, and central government is not always very eager to follow this procedure, there are several instances when the voice of the local government association has been decisive. But, similarly as in Estonia, there are some instances when local associations cannot reach a common conclusion, and in such cases it is easier for central government ministries to pursue their goals. A recent conflict between cities and rural local governments on the method of allocating funds for education provides a good example.

Apart from national associations, an important role is played by smaller, usually regional, organizations of local governments. For example, in Slovakia there are more than 50, and in Poland more than 200 such regional organizations, that help to deliver some services jointly and that also play a role in representing their members vis-à-vis central government.

But negotiation through associations is probably not a dominant means of access. Individual contacts of local politicians play an important role as well. The Slovak report cites an example of the mayor of Zilina city, who is also a chairman of one of the national political parties and deputy chairman of the Slovak Parliament. Such a *cumul des mandates* gives numerous opportunities to lobby for “home city” interests. In Poland the possibility of holding parallel political positions in various tiers of government has been abolished only recently (in 2002). Previously, in the 1997 parliamentary election, about 100 mayors and councilors were elected to the Parliament (almost 25 percent of all MPs elected that year), and most of them kept their positions in local governments parallel to their new functions in the central legislature. But even after liquidating the *cumul des mandats* activity of local MPs, lobbying for individual decisions concerning their home local governments is almost a rule. There are sometimes exotic political coalitions of MPs from the same region who lobby together for a better position in the allocation of central funds for regional development. Needless to say, municipal mayors and councilors spend part of their energy on contacting and pressing these local MPs. Holding a mandate of a mayor and member of the parliament at the same time is still quite common in Hungary. These examples strengthen the impression that direct, unofficial access to central policy formulation is still typical for the political culture of Central and Eastern Europe.

4. LEGITIMACY OF LOCAL DEMOCRATIC SYSTEMS

4.1 Input Legitimacy

4.1.1 Social Structure of Local Councils

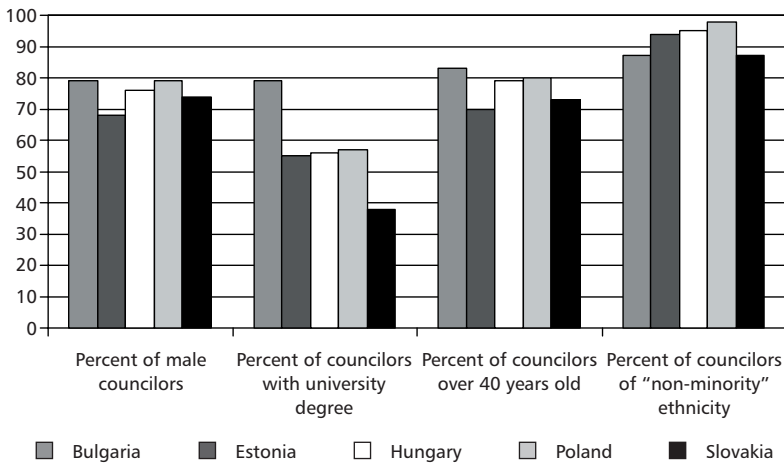
Our consideration of the legitimacy of local political systems starts with an analysis of the social structure of elected representatives. Obviously, we do not expect that effective representation requires that elected councilors strictly reflect the social structure of their local communities. As John Stuart Mill noticed, the idea of election originates in the willingness to elect “the best,” not “the most typical.” But Sartori (1987) suggests that too much attention placed on mirroring the social structure of voters by their elected representatives might be interpreted as one of the diseases of modern democracy. But, on the other hand, we know that too large a discrepancy between the structure of the electorate and the elected council may produce legitimacy problems. And it is very unlikely that there are no well-qualified candidates among certain age groups or genders.

Low representation of some groups (typically: women, young people, and national minorities) may be the result of self-selection, when people from underrepresented groups are not willing to stand for election; or selection, when political elites or voters themselves are not ready to give a mandate to these people (see also Offerdal 1991). Regardless, we deal with the self-selection or selection process, assuming that underrepresentation often reflects the process of social exclusion of certain groups, which is very dangerous for the legitimacy of the political system.

Figure 5.6 shows that councilors are usually male, educated, over 40 years old, and rarely from national minorities. The proportion of women councilors varies from just over thirty percent in Estonia to just over twenty percent in Bulgaria and Poland. This is less than during the communist period, where different social groups had semi-official quotas in elected bodies. But we should stress that it does not mean the role of women in local politics is now lower than twenty years ago: then, councils did not play a significant role and the presence of women or minority social groups resulting from quotas often had only a symbolic meaning. In some countries the proportion of women strongly decreases with the size of local governments (i.e., there are fewer women in councils of big cities than in small towns or villages). Maybe this explains why there are fewer women in Bulgarian and Polish local governments but not in the other three countries. But an interpretation like this is not always that simple—in Poland there are proportionally more women in cities, where the idea of a woman’s role is less traditional. At the same time almost ten percent of rural local governments exist with not a single woman in the local council.

It should be stressed that there is an even lower proportion of women among local mayors, with 16% in Slovakia and 10% in Bulgaria. The situation looks even more dramatic in Poland, where only 166 (less than 7% of all) female mayors were elected in 2002. In our report we are unable to discover what the factors are that decide the underrepresentation of female councilors. The Bulgarian report suggests it is more a result of party selection than voters' decisions, but we do not have strong arguments to verify this claim.

Figure 5.6
Social Structure of Local Councilors



The domination of councilors with university degrees is the strongest in Bulgaria (almost 80%), and the weakest in Slovakia (just below 40%). This variation is not surprising, since more educated councilors are usually found in bigger municipalities, and thus the territorial fragmentation of the Slovak local government system pushes up the proportion of representatives with lower education. Taking the size factor into account, it may be a surprise that the proportion of councilors with higher education in Poland is very similar to that of Hungary and Estonia—two countries with much more fragmented territorial systems.

Over 70% of councilors are above 40 years of age, and the average age of councilors varies from 46 in Slovakia to 50 in Bulgaria. Younger councilors are more often found in smaller municipalities, and that explains the difference between Slovakia and Bulgaria. But in general, the variation between countries in the age structure of local deputies is not very big.

The differences in the proportion of councilors from national minorities are interesting. It varies from just two percent in Poland to almost fifteen percent in Bulgaria and Slovakia.

The figure for Poland is not surprising, since from the point of view of national structure it is almost a homogenous country. The figures for other countries are more intriguing. The proportion of Hungarian councilors in Slovakia and of Turkish councilors in Bulgaria are in almost ideal proportion to their share in the total population. But the Roma group is very strongly underrepresented in Bulgaria, Hungary, and Slovakia. Nevertheless, the authors of the national reports notice that even a symbolic representation of the Roma national minority is often progress in comparison to the situation only a few years ago. Interpretation of Estonian data is the most difficult. The proportion of councilors of Russian origin (just over 3%) is definitely lower than the proportion of the Russian-speaking population. To understand this phenomenon, one needs to remember that about 20% of Estonian residents do not have Estonian citizenship. However, since 1996 it has not been necessary to be an Estonian citizen to be a candidate in local elections. Before 2001 it was necessary to speak Estonian fluently, but now this condition has been withdrawn. The poor representation of Russians in local government reflects difficulties in its relationship with the Russian-speaking population, described in detail in section three of the Estonian chapter.

4.1.2 Citizens' Interest in Local Government

In our analysis citizens' interest is measured by the turnout in local elections. As in many other countries, the local turnout is significantly lower than in the national elections. The difference is usually especially big in big cities, while in small communities people are more inclined to participate in local rather than parliamentary elections (for more data, see Swianiewicz 2001, 2002).

Figure 5.7
Turnout in Local Government Elections

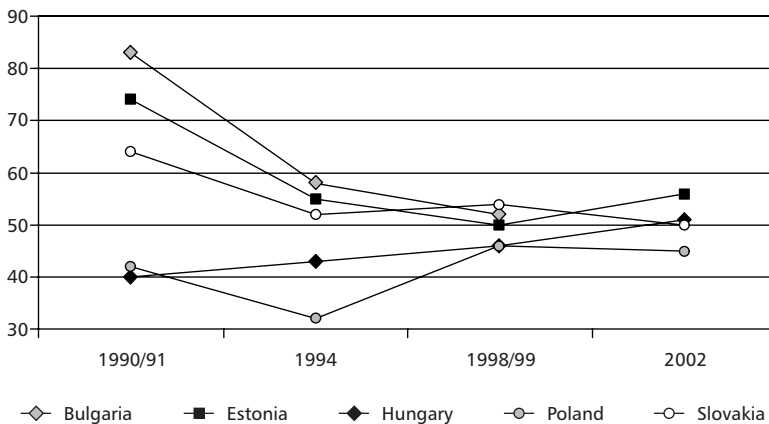
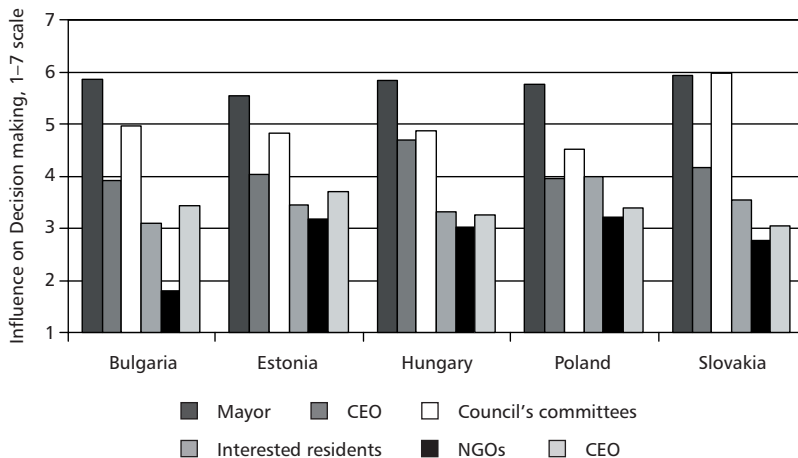


Figure 5.7 suggests a gradual convergence of the electoral turnout between the countries in this study. At the beginning of the transformation there was quite a clear distinction between Hungary and Poland with a low level of participation, and Bulgaria, Estonia, and Slovakia with a much higher attendance. But we have noticed a gradual increase in the turnout in Hungary since then, and stabilization in Poland, while a decreasing trend remains in three countries.

4.1.3 Actors in Local Decision-making

Whose opinion plays a role when local decisions are being made? We start with a “reputational” study of community power structure, presented in Figure 5.8. Typically, it is the mayor who is seen as the most influential actor, followed by the local council and Chief Executive Officer (CEO). Such a structure suggests that our respondents see actors with formal (electoral) legitimacy as the most influential in local decision-making. If such a perception is not distant from reality, it means that the formal institutions of local representative democracy work correctly.

Figure 5.8
Community Power Structure—Mean of Councilors’ and CEOs’ Opinions



There are interesting differences between countries. First of all, Estonia is the only country in which local residents do not directly elect the mayor. In such a situation the normal expectation is that the role of mayor vis-à-vis the local council should be lower, but this is not the case in Estonia. At the same time, the role of mayor is assessed as

marginally lower than of the council in Slovakia, i.e., in a country with a long tradition of direct mayoral election and commonly seen as a country with a strong mayoral system. Other findings are much less surprising. As one might expect from the formal institutional setting, the role of CEO is the most profound in Hungary, where his/her influence is perceived as only marginally lower than councilors'.

The direct role of interested citizens, NGOs, and local businesses is seen as much less important than the role of actors with a formal position within the government structure. These community actors seem to be the least important in Bulgaria—this observation is true first of all in the case of NGOs, but it applies to interested citizens as well. Bulgaria is also the only country in which the role of businesses is assessed as higher than that of interested residents. It is also the only one in which the role of NGOs is seen as negligible.

Direct democracy via local referenda is theoretically available in the countries analyzed here, but in practice they are rarely used, although there is some variation between countries. The Bulgarian chapter sees the reason in the lack of a relevant tradition and stresses that the only cases of local referenda concerned change of municipal boundaries. In Estonia referenda can be initiated by residents in theory, but this opportunity has never been used in practice. Also in Estonia, most referenda concerned changes to local government boundaries.

Cases of local referenda are more frequent in Slovakia—the Slovak report indicates one in five municipalities. Also in Slovakia most referenda concerned issues such as change of name or boundaries, but some of them also concerned issues such as location of a controversial investment.

In Poland the dominant share of local referenda has been organized to order a vote on the recall of the council or the mayor before the end of term. But there are also examples of more issue-oriented referenda, such as the location of controversial investments or “self-taxation” of the local population in order to improve the quality of service delivery.

Deciding on important issues in local referenda seems to be the most popular in Hungary, although it is by no means on a similar scale to Switzerland. Hajnal (2001, 152) provides data suggesting that there were thirty-two such referenda during two years only (1999 and 2000), including fourteen on large-scale public investments and eleven on high-risk environmental projects. Obviously, thirty-two referenda in over 3,000 local governments does not look extremely impressive, but it is still more than in any other country presented here.

In a representative democracy system, local councilors have to choose between following their own opinion and making the decision that reflects the opinions of the majority of their electorate. Opinions on this classical dilemma, called *mandate versus independence controversy* by Pitkin (1967), are illustrated in Figure 5.9. The mandate paradigm does not dominate in any of the countries analyzed. In Poland, supporters of both opinions—making decisions on the basis of one's own judgment and transmitting

opinions of the electorate—are in balance. In other countries a larger proportion of councilors think they should follow their own opinion, and such an attitude prevails most dominantly in Slovakia.

Table 5.3 illustrates how councilors collect information on the preferences of their voters. In each country personal contacts are seen as more important than any other (indirect) form. There is an interesting difference between two countries with territorially consolidated systems (Poland and Bulgaria) and three with the domination of very small local governments. In the latter group, all three options that were most frequently mentioned have “personal character”—apart from personal contacts with citizens, meetings, family, friends, and open office hours are other mechanisms to garner opinions. In the former group of countries, more indirect sources—such as municipal administration and place of work—play an important role.

Figure 5.9

In Case of Conflict between What You Believe Is a Correct Decision
and the Opinion of People in Your Municipality,
Whose Opinion Do You Follow?

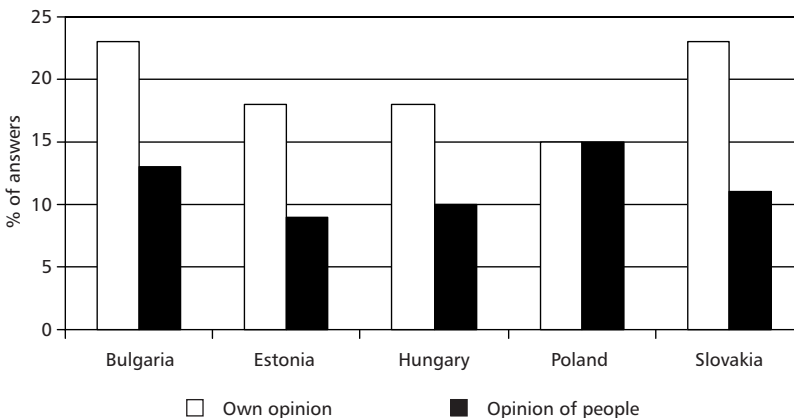


Figure 5.10 illustrates the strength of two particular actors in local politics: civic organizations and political parties. The role of voluntary organizations in local democracy has been stressed by numerous actors for a very long time—from Alexis de Tocqueville’s and Adam Smith’s classic studies to Putnam (1993 and 1997) and other contemporary political scientists. In our analysis the development of civic organizations is measured by a multiple index based on the survey questions on their number, activeness, and perceived role in local decision-making. The highest score of civic organizations’ development is found in Poland, followed by Hungary and Estonia, while Slovakia and especially Bulgaria are at the other extreme.

Table 5.4
Significance of Information Sources for Local Councilors

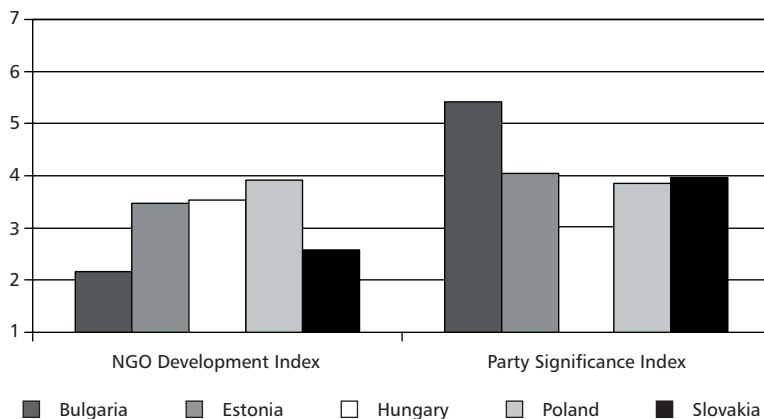
	Bulgaria	Estonia	Hungary	Poland	Slovakia
1 st rank	Personal contacts with citizens	Personal contacts with citizens	Personal contacts with citizens	Personal contacts with citizens	Personal contacts with citizens
2 nd rank	Place of work	Municipal administration	Organized meetings	Organized meetings	Organized meetings
3 rd rank	Family and friends	Family and friends	Open office hours	Municipal administration	Open office hours

NOTE: Sources with average score over 5.25 in 1–7 scale of importance are indicated in bold.

The variation in the civic organizations' development index seems to correspond closely with official data (also quoted in national reports) on the number of registered NGOs.⁶ Poland has almost sixty thousand registered organizations, while Bulgaria and Slovakia have fifteen and thirteen thousand respectively, and Estonia much fewer at eighteen thousand.

A very strong regional variation in activeness of civic organizations, stressed in the Slovak report but also true in Poland, is a very interesting phenomenon itself, but it is beyond scope of analysis of this chapter.

Figure 5.10
The Strength of Civic Organizations and Political Parties



Party significance is also an index based on responses to several questions.⁷ The rank of countries according to this index is almost opposite to the previous one. The lowest

score was found for Hungary and Poland and the highest for Bulgaria. However, as more detailed study on the role of parties in local politics suggests, the variation presented is to some extent misleading. The significance of parties is strongly correlated with the population size of local government. If we compare the role of parties in jurisdictions of similar sizes, Bulgarian local governments are still the most partisan, but Polish local governments become less party-steered than Hungarian local governments (see Swianiewicz and Mielczarek 2005).

4.2 Throughput Legitimacy

One of the most important threats for throughput democracy in Central and Eastern Europe is corruption. Obviously, the survey of local councilors and CEOs is not a proper instrument to investigate this issue, so our information is rather limited in this respect. But we can refer to the *Corruption Perception Index* prepared every year by Transparency International. The countries analyzed here are rather low in rank on the index. According to the 2004 edition of the ranking, the situation was relatively good in Estonia (31st in the ranking) followed by Hungary (42nd) and Bulgaria (44th), with the worst in Slovakia (57th) and Poland (67th). Obviously, the general index does not tell us how much of this negative phenomenon pertains to either local or central government administration, or to other public institutions (police, courts, etc.). Moreover, the perception index may be sometimes misleading. For example, some analysts suggest that Poland has moved down in the ranking when campaigns to fight corruption have exposed more cases of misconduct to the general public.

We know from several national studies that local governments are not free of corruption. The Bulgarian chapter notes that Bulgaria has moved up in the Transparency International Index in the last few years, but also stresses that there are some areas in which local administration is prone to corruption. This includes public procurement, licensing, and privatization of municipal property. However, Bulgarian public opinion sees local governments, and especially local elected representatives, as much less corrupt than some other professional groups, such as customs officers.

The Slovak chapter quotes research according to which almost half of the residents consider corruption in local government widespread and two-thirds claim that there are cases of corruption. In addition, more than half of the citizens are convinced that the majority of local representatives are more concerned about their own profits than about the needs of their community. Perhaps the most disappointing is that the Association of Towns and Villages blocks this topic from entering discussion in public meetings.

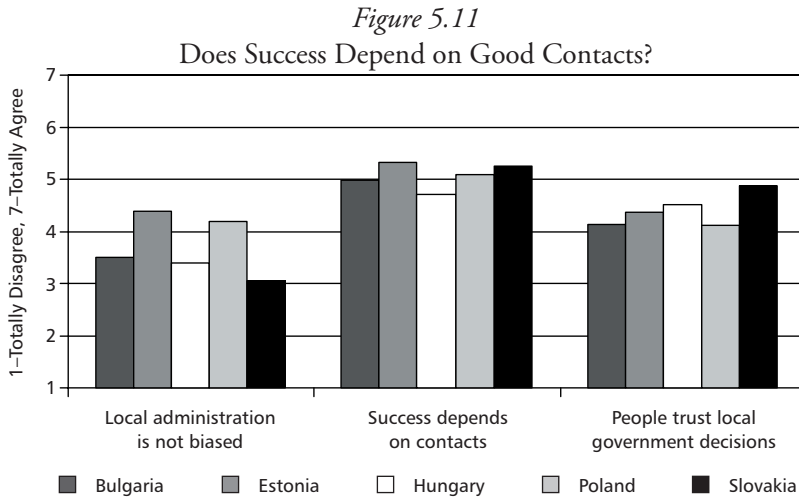
In Poland it is important to notice the shift in public opinion—in 1995 most residents thought that corruption was more frequent at the national level, but surveys conducted in 1999 and 2000 showed that people believed it to be as frequent in the

national administration as in local governments (Swianiewicz 2001). According to the survey conducted in 2000, fifteen percent of citizens claimed to know someone who bribed a local bureaucrat or councilor at least once. Opinions from entrepreneurs were even more pessimistic—as many as 38% said they knew another businessman who offered a bribe (Swianiewicz 2001b).

The situation seems to be better in Estonia (as suggested by its position in the Transparency International index). An interesting regulation is that Estonian local governments have to publish decrees and orders *before* their official enforcement. There is also a special Anti-corruption Law of 1999. But—as the Estonian report presents—local governments are perceived as the most corrupt (alongside the police, customs, and border guards) sector of the public service.

Our survey information on the transparency of local politics is indirect. In Figure 5.11 we learn that a majority of councilors believes that “success depends on having good contacts,” which indirectly indicates clientelist elements of decision-making. The variation in answers to this question across countries is very low.

The belief that local administration decisions are objective⁸ is more widespread in Estonia and Poland than in Hungary, Bulgaria, and Slovakia. But these answers do not correlate with the councilors’ perception of citizens’ trust towards local governments, which seems to be the highest in Slovakia and Hungary, but the lowest in Poland and Bulgaria.



Throughput legitimacy is very much dependent on citizens’ access to information on local government activities. Figure 5.12 illustrates the frequency of usage of various

means of communication. Direct contacts with citizens are the most often declared in Hungary and Poland and the least often in Estonia and Bulgaria. Using local media is not significantly diverse among countries, although Slovak local governments seem to lag behind. Using electronic communication is by far the most frequent in Estonia, followed by Poland and Bulgaria, and the least popular in Slovakia and Hungary. The territorial fragmentation of local governments in the two latter countries most probably contributes to this result—usage of the Internet as a tool of communication is less common in the smallest villages.

The presence of local media is usually seen as another factor positively influencing transparency of local politics. In our survey we asked about the presence of media and about councilors' assessment of their quality. As regards their availability (Figure 5.13), local media are most often available in Estonian and Polish local communities, while Hungary and Slovakia are at the other extreme. The low score of Slovakia and Hungary may be explained once again by the territorial fragmentation—local newspapers, radio broadcasts, or television stations are much less numerous in smaller communities. But in using this line of explanation we should stress that media are “overrepresented” in Estonia (with relatively small local governments) and “underrepresented” in Bulgaria (with the largest local governments in the sample). Perhaps a partial explanation might be that—as is stated in the Estonian report—most of the local media are in fact newspapers owned and published by local governments themselves.

Figure 5.12

Availability of Information on Local Government Activities

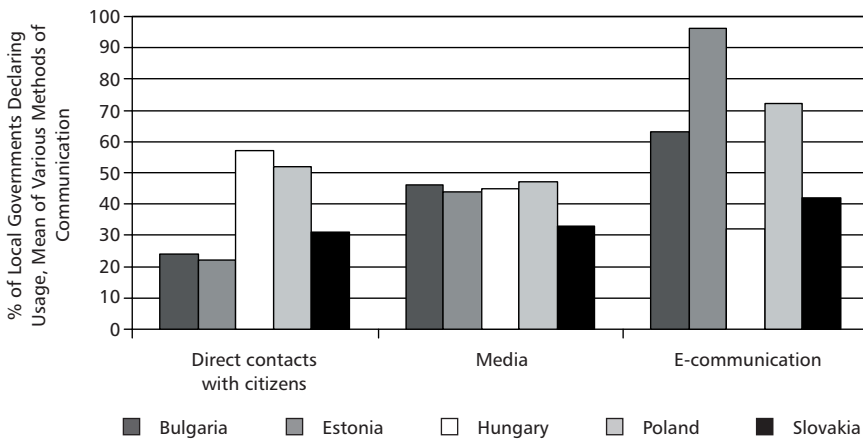
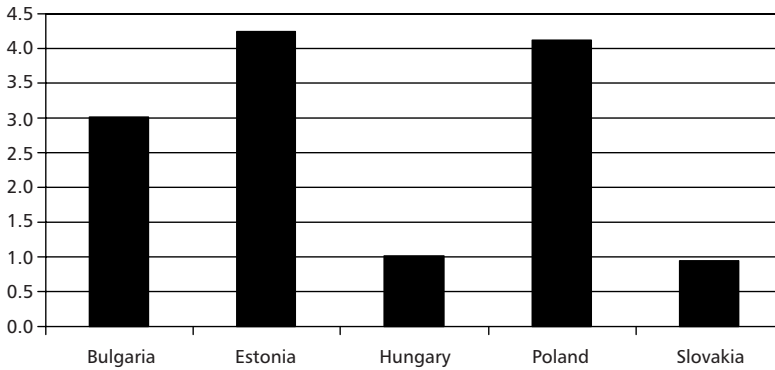
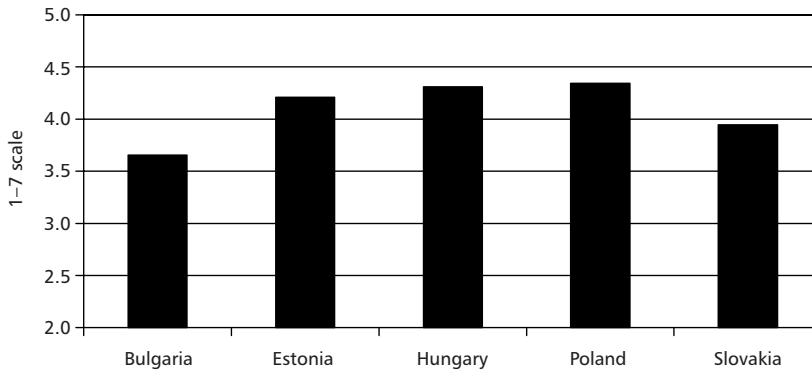


Figure 5.13
Average Number of Local Media in a Municipality



Councilors' assessment of the quality of local media presents a somewhat different pattern (Figure 5.14). The best assessments have been found in Poland, Hungary, and Estonia, with the lowest in Bulgaria. The overall situation from the point of view of local media as watchdogs of local democracy seems to be the best in Poland and Estonia—they are frequent and score highly in eyes of local councilors.

Figure 5.14
Average Councilors' Assessment of Local Media Quality



4.3 Output Legitimacy

Our main measure in this section is the self-assessment by local councilors of the outcomes of local government activities. However, from the data in the national chapters

and other publications,⁹ we know that the level of trust in local government in CEE countries is usually larger than in other public institutions and that satisfaction with the performance of local government administration is usually higher than with the national bureaucracy.

In such circumstances it is surprising that data provided in the Slovak chapter suggest that opinions on whether present local governments function better than local authorities in the communist period are very much divided. Moreover, as time passes a growing proportion of citizens expresses its pessimism about the results of the change. For example, in 2001 as many as 27% said that “problem-solving is worse now” and only 16% agreed that “problem-solving is better now.” This is in sharp contrast with the opinions of councilors, 64% of whom agreed that “the new local governments do a better job than the local administration before 1990.”

The situation in Poland is less extreme, although here too the opinions of councilors are more optimistic than the opinions of regular citizens. According to our survey, 66% of Polish councilors agreed with the opinion asserting improved local government performance. According to a 1998 survey (Swianiewicz 2001), the same opinion was shared by 53% of citizens, while only 8% had an opposite opinion.

Hungary rests in between Poland and Slovakia. In 2000 over 32% of citizens thought that the present local government system worked better than under the communist period, while 23% expressed the opposite opinion (Hajnal 2001). As we know from our survey, the opinions of Hungarian councilors are even more optimistic—with 77% expressing a positive self-assessment of the new local government system.

We do not have similar data on citizens’ opinions from the two remaining countries, but as we see in Figure 5.15, councilors’ opinions are the most optimistic in Estonia (with 77% of respondents giving a positive opinion), while the least positive are in Bulgaria (with only 54% of councilors believing in the improvement of the local government system).

While Bulgarians are the least optimistic in assessing the present performance of local governments, Poles (followed by Bulgarians) are the most skeptical about the future of their communities (Figure 5.15).¹⁰ Only 40% of Polish and 46% of Bulgarian respondents believe that their communities will be better off five years from now, while in Estonia this proportion is 72% and in Hungary 62%. It is interesting to notice that in each of the countries analyzed, the predictions concerning councilors’ communities are much more optimistic than their assessment of the situation in the whole country.¹¹ A relevant comparison is presented in Table 5.5.

Figure 5.15
Councilors' Opinions on Whether Local Government Is Better
or Worse Now Than under Communism

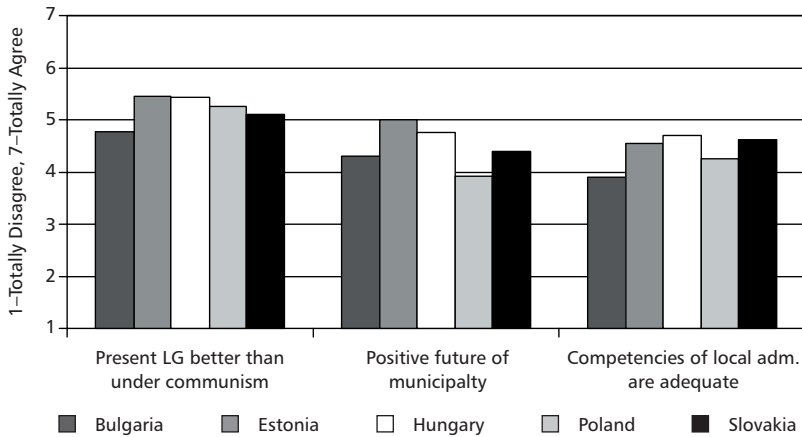


Table 5.5
Councilors' Assessment of the Situation
in Their Countries and in Their Communities

	Satisfaction with Situation in the Country [%]		Satisfaction with Situation in the Municipality [%]		Prediction of Situation in Municipality after Five Years [%]	
	Dissatisfied	Satisfied	Dissatisfied	Satisfied	Worse	Better
Bulgaria	66	13	43	33	27	46
Estonia	36	28	24	49	9	72
Hungary	40	29	29	45	16	62
Poland	65	7	48	22	39	40
Slovakia	59	19	28	44	26	50

In all the countries, negative opinions on the situation in the country prevail. The dominance of dissatisfied is the strongest in Poland and Bulgaria. But when asked about satisfaction with the current situation in their municipalities, councilors from Estonia, Hungary, and Slovakia usually give positive answers, while Poles and Bulgarians remain pessimistic (although to a much lower extent than in respect to the situation of the whole country). If we turn to councilors' predictions about the direction of future changes in their municipalities, optimistic answers prevail in all five countries, although in Poland the difference between those believing in a better and in a worse future is only marginal.

Hungarian and Slovak councilors are also the most optimistic in their assessment of the quality of local administrative staff.¹² Once again, Bulgarians are the most skeptical in their opinions. Competency is assessed as weak or rather weak by 17% of Hungarian councilors but by 37% of Bulgarian councilors. Similarly, the proportion of respondents assessing them as outstanding or nearly outstanding varies from 35% in Bulgaria to 60% in Hungary.

Figure 5.16 illustrates the variation in the application of different modern techniques in the management of local governments. The modernization index is based on the percentage of councilors' declarations on the use of e-mail and the Internet in their work. Partnership with NGOs is based on the average proportion of local governments declaring financial support for NGOs or contracting various services to NGOs (as declared by CEOs). Finally, the strategic planning index is based on the proportion of CEOs declaring long-term strategic development plans or long-term investment programs.

Indices here refer to contemporary theories describing modern trends in local government. Both building horizontal non-hierarchical partnerships with non-governmental actors and using management techniques traditionally typical for the private sector are elements of the shift from traditional *local government* to *local governance* as described by Rhodes (1997) and John (2001). The latter index can also be identified with the wider trend called New Public Management. Obviously, our survey does not allow us to check the quality of strategic planning documents, nor the real readiness of local governments to implement them. But at least we are able to realize how often "labels" of new ideas have been absorbed by local politicians and administrators.

In two of three indices presented in Figure 5.16, the lowest score has been found in the case of Bulgaria (councilors' modernization and partnership with NGOs), and in two cases Polish local governments have the highest score (strategic planning and NGO partnership index). Slovak local governments are the least willing (or ready) to adopt strategic planning techniques and are second to last in two remaining indices.

Last but not least, the performance of local governments also depends on the ability to make decisions. Figure 5.17 presents how often councils have difficulty with making decisions and how often council meetings are stopped because of the lack of quorum. The situation (as assessed by CEOs) is clearly the most difficult in Bulgaria, while the remaining four countries have similar scores, with Poland (followed by Hungary) in the lead.

The overall assessment of the performance of local governments seems to be the most pessimistic in Bulgaria. This country has the lowest value of five out of seven indices presented in this section and it is second-to-last in one other. Slovak results are also low—with one of the lowest, and four second-to-lowest values. Estonia (followed by Poland) seems to be at another extreme. Estonia has the highest value of three indices, and in none of them does it score close to the bottom of the rank.

Figure 5.16
Modernization Measures of Management in Local Government

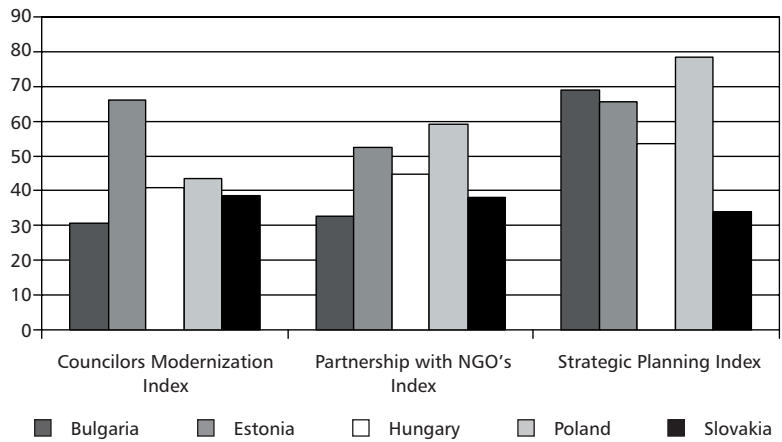
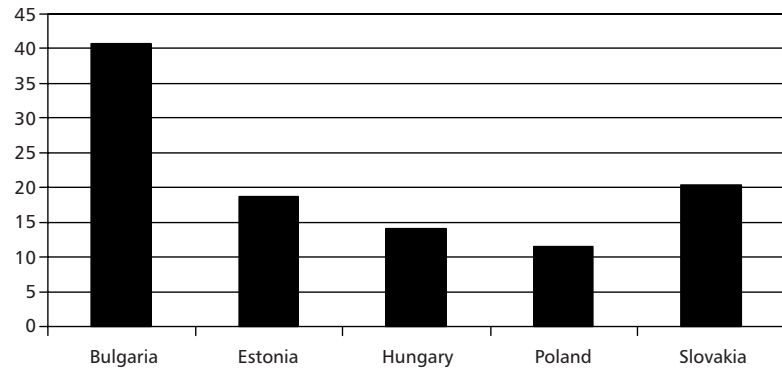


Figure 5.17
Councils' Difficulties in Decision-making,
Mean of "Frequency of Abolished Decisions" and "Meetings Stopped
because of Lack of Quorum"*



NOTE: * 0–100 scale: 0—never; 100—very often.

5. CONCLUSIONS

Over a decade after decentralization reform, local governments seem to be well rooted in the political systems of all five countries analyzed in this chapter. While they are well established in the literature classifications (Page and Goldsmith 1987; Hesse and Sharpe 1991; Loughlin 2001) of local democracies in Western Europe (South-European, North-European, Anglo-Saxon, etc.) there seems to be no uniform model for post-communist Central and Eastern Europe. Instead, there are a variety of institutional solutions concerning territorial organization, scope of local fiscal autonomy, allocation of functions, etc.

Similarly, there are significant differences in the practical functioning of local democratic systems. There are some common problems, however, such as corruption or weakness of social partners, who might enter development coalitions with local governments. But even these common problems are present in individual countries to a very different extent.

Although local governments are struggling with limited public interest, expressed by relatively low or decreasing electoral turnout, there are also clear signs of the success of the reforms. One of the clearest is that local authorities enjoy much higher levels of trust and satisfaction with their activity than is the case with central powers (government, parliament) in all countries considered in this book.

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NOTES

- ¹ Referring to the relationship between central and local government includes a bit of simplification, since in such a framework we disregard multilevel governance (including the impact of the European Union). But this simplification seems to be still legitimate—central governments are still a decisive factor in the limitation of local autonomy in Central and Eastern Europe.
- ² For a more extensive discussion of modifications to Haus and Heinelt's definition of legitimacy—see Swianiewicz, Mielczarek, and Klimska 2005.
- ³ Following Sharpe's (1993) terminology I use the term "meso level" to describe the *intermediate level of government between the centre and the basic municipal or communal level* (p.1). It may take the form of regional or county-type level of government.
- ⁴ More about changes in territorial organization, current debates in CEE countries, as well as a review of theoretical arguments for and against various territorial arrangements may be found in Swianiewicz, 2002.
- ⁵ This means that in Poland the CEO survey was organized before and the councilors' survey after the introduction of direct mayors' election.
- ⁶ However, direct comparison is difficult because of the variety in size of the analysed countries. Constructing per 100,000 ratio is not a good solution either, since many of these organizations operate on a national scale, so one should not expect proportionality between size of the country and number of NGOs.
- ⁷ Precise methodology of index calculation is described in Swianiewicz and Mielczarek, 2005.
- ⁸ Precise formulation of the relevant question refers to the political bias: *To the best of your knowledge, are civil servants in local administration very biased or not biased at all in their dealings with individual representatives and factions?*
- ⁹ For a summary of arguments and data see, for example, Swianiewicz 2001.
- ¹⁰ Figure 5.15 illustrates answers to the question: *In your estimation, how will things be going in your local community five years from now?*
- ¹¹ *Generally speaking, how much are you satisfied with the way things are going in your country?*
- ¹² *How do you rate the competence of civil servants of the local administration on a scale of weak to outstanding?*

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